



Daily Report

China

FBIS-CHI-90-130
Friday
6 July 1990

Daily Report

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FBIS-CHI-90-130

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NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

Column Views Upcoming Group of Seven Meeting

HK0607101890 Hong Kong HSIN WAN PAO
in Chinese 6 Jul 90 p 1

["New Talk" column: "China's Expectations of the Group of Seven Summit"]

[Text] Jin Guihua, PRC State Council spokesman, said yesterday at a news briefing that China hoped that Western countries would not miss the opportunity to improve their relations with China because this was beneficial to both sides.

This remark, made on the eve of the meeting of the seven industrialized countries, is very significant in some respects. China's expectations are obviously that at this meeting these countries will change the measures they have taken for a year against China, and that their relations will be restored to those a year before.

Jin Guihua's speech includes three aspects: First, the embarrassing relations between China and Western countries were not caused by China. Second, in order to improve their relations it is necessary for both sides to make efforts. Third, China has already made a lot of efforts to improve its relations with Western countries, but it will not succumb to pressure coming from the outside.

These few phrases imply vaguely that it is now up to the Western countries whether they will improve their relations with China, and that China hopes that leaders of these countries will respond at the meeting. China has done everything it can, and hopes that these countries will not add pressure by making more demands.

Meanwhile, in addition to State Councillor Li Tieying's visit to Japan and meeting with people of the political circle including Kaifu, Zhu Rongji, mayor of Shanghai Municipality who visited Hong Kong and Singapore recently, also heads a delegation of China's city mayors for a visit to the United States, where they will meet people from various circles. This poses a show of strength before the meeting of the seven countries.

When meeting with Li Tieying, Japanese Prime Minister Toshiki Kaifu said that he was willing to put forward the proposal of improving relations with China at the summit meeting, and that he would have a talk with U.S. President Bush the day before the meeting.

When visiting the Economic Community (EC) headquarters in Brussels, Japanese Foreign Minister Taro Nakayama also mentioned, amidst various matters he talked on, the need to explore the relations between West Europe and China.

No trace can yet be seen whether the United States will clearly show its attitude toward China at the summit meeting. After President Bush vetoed the bill on canceling China's most-favored-nation status, it seems that

Congress will not override his veto by a two-thirds majority. Whether Bush will take a step ahead or not in the face of the interim election held this November is not yet known.

As for West Europe, the current EC president also said that he hoped that when the United Nations opened sessions this September the EC would review its relations with China again. In other words, a final decision can only be made a least two months after this summit meeting.

Therefore, the meeting of the seven countries, to be held in Houston on the ninth of this month, will include these countries' relations with China as an item for discussion, and they will admit that the present situation is better than that a year ago. But on the other hand, they will pass the responsibility on to China again. The delay will last around two to three months.

This will depend on how the Japanese authorities handle its third installment of government loans to China, which have been delayed since June of last year. Japan intends to enact the granting of loans, because it does not want to hamper its relations with China and to prevent a third country from taking advantage of the opportunity. It appears that after the summit meeting Japan will take a middle-of-the-road by not delaying the granting of loans while not granting all of them. It will selectively grant loans to China for certain items that "affect the livelihood of the people," showing its gesture to China and the United States.

Upcoming NATO Summit Meeting Analyzed

OW0407052590 Beijing XINHUA in English
0119 GMT 4 Jul 90

["News Analysis: Strategic Review Dominates NATO London Summit (by Wang Shengliang)"]—XINHUA headline]

[Text] London, July 3 (XINHUA)—Decisions on substantial changes in defence policy are expected at the NATO summit due in London on July 5-6, which will focus on a thorough strategic review, an unprecedented one in its over 40 years of history.

As U.S. President George Bush stated, the meeting, which takes place at a time when the Warsaw Pact is moving towards dismantling after momentous changes in Europe, has a "wide agenda."

NATO leaders are said to discuss European security structure, NATO's political role, arms control and a unified German-NATO membership. The outcome of the summit would have major impact on building "a new European order."

Sources said NATO leaders would formally endorse a declaration of peaceful intentions towards the seven-nation Warsaw Pact.

The idea first floated at the Warsaw Pact summit in Moscow on June 7 when Soviet President Mikhail Gorbachev proposed a "pact-to-pact" agreement between the NATO and Warsaw Pact. The Moscow meeting decided to reshape the Warsaw Pact from a military-political organisation towards a political-military organisation and urged the Western alliance to follow suit until the two world's biggest military blocs are dismantled at the beginning of next century.

British officials said yesterday that NATO is anxious that the declaration should not be a pact-to-pact document, but should be signed individually by the countries of the two alliances.

Earlier, British news paper "THE INDEPENDENT" quoted U.S. Secretary of State James Baker as saying that he expected the NATO summit produce a declaration of non-aggression between NATO and the Warsaw Pact, as President Bush hinted.

For the convening of the summit, NATO foreign ministers met in Turnberry, Scotland, on June 7-8, and prepared a political agenda for their leaders to discuss. However, new proposals has been emerging within NATO, which will be formally discussed at the summit.

Among them, the most striking are two suggestions by U.S. President Bush, which might overshadow other issues.

The Bush administration has proposed to its allies to consider the withdrawal of all nuclear artillery shells from Western Europe, a move which would halve NATO's nuclear arsenal on the continent. The proposal was supported by the Netherlands, Federal Germany, Italy and Belgium.

In a letter to alliance leaders, President Bush also suggested that the doctrine of "flexible response," under which NATO would turn to short-range nuclear weapons if threatened with conventional defeat, should be replaced by a new concept of using tactical nuclear weapons in Europe only "as a last resort."

These two proposals are viewed as centrepieces of a set of wide-ranging plans circulated to allies before the NATO summit.

Any discussion on the reversal of NATO's 30 year-old doctrine of "flexible response" might incur disputes among NATO leaders.

Reports said the London summit is likely to highlight the difference between British Prime Minister Margaret Thatcher and U.S. President Bush over the future deployment of tactical nuclear weapons by the alliance.

Mrs. Thatcher is emphatic about the need to continue to station tactical nuclear weapons in Europe. She said in a speech at NATO foreign ministers meeting last month that forward basing of nuclear weapons remained an essential element of the alliance's defence strategy.

It is possible that NATO leaders would steer clear of too precise a definition of the issue, given the political sensitivity for Germany of this difficulty. British officials said Britain could "live with" a summit communique which did not mention the NATO concept of flexible response.

The summit was said to have two-fold aim of sending a message of reassurance to Soviet President Mikhail Gorbachev pledging co-operation and peaceful relations, and establishing new guidelines for military and political development of the alliance in the changed circumstances in Europe.

During the U.S.-Soviet summit in Washington, President Bush has proposed before President Gorbachev "nine points" of assurance to ensure the Soviet legitimate security as the Soviet Union is very much concerned about NATO's suggestion to anchor a unified Germany in the Western alliance.

The two U.S. proposals, being formally discussed at the London summit, are made after Gorbachev's statement that the "nine points" are not enough.

To further assure President Gorbachev, who is besieged with domestic difficulties, NATO leaders will also discuss financial aid to the Soviet Union, as proposed by President Bush. But it would be an informal discussion, British officials said.

Earlier, the U.S. and Britain said they would give the Soviet Union help, but not financial aid. To the concern of Mrs. Thatcher, the U.S. attitude on the issue was moving closer to the Federal German position with Chancellor Helmut Kohl as the strongest supporter.

The softening of U.S. position on both military and economic aspects has of its objective for winning the Soviet permission of a united German-NATO membership, which the Soviet Union has repeatedly opposed.

For building a new European security structure, Belgium proposed a plan for a pan-European peace-keeping force involving troops from East and West, which will be put forward before the summit.

The proposal is for a highly mobile, multinational force made up primarily of troops from the smaller nations but under the aegis of the superpowers.

The plan is likely to receive support from Federal German Foreign Minister Hans-Dietrich Genscher who favoured a permanent secretariat for the Conference on Security and Cooperation in Europe (CSCE).

The idea, which is running in parallel with the Soviet call for permanent pan-European institutions to replace so-called cold war thinking, is expected to meet resistance from Prime Minister Thatcher and President Bush.

After the pouring of proposals from member countries, the NATO headquarters has drafted a communique to be discussed at the summit. Observers here said since 16

member countries have different geo-political and defence interests, there might be arguments and differences on the final wording of the communique. To avoid open division, NATO leaders are expected to make broad outlines of the alliance's future strategy, even by using vague phrases.

United States & Canada

Shanghai Mayor To Head Visit to United States

HK0507061390 Hong Kong TA KUNG PAO in Chinese
29 Jun 90 p 3

["Special dispatch" by reporter Jiang Guoyuan (1203 0948 0337): "Zhu Rongji Will Head a Delegation to the United States Next Month"]

[Text] New York, 28 Jun—A Chinese mayors' delegation led by Shanghai Mayor Zhu Rongji will visit the United States next month. (Lampton) [lan pu dun 5663 2528 7319], chairman of the National Committee on U.S.-China Relations who is responsible for the organization and reception of the visit, told our reporter today that this is an important visit in the development of U.S.-China relations.

This will also be the highest-ranking Chinese official delegation to visit the United States since the "4 June" Incident last year.

The leader of the delegation is Zhu Rongji, who recently concluded his visit to Hong Kong and Singapore. Former Shanghai Mayor Wang Daohan will travel with the delegation as a consultant. Other members will include the mayors of Chongqing, Taiyuan, Wuhan, Ningbo and Hefei. On their 20-day tight schedule from 7 to 26 July, they will visit New York, Washington, Chicago, Lancaster (Pennsylvania), Racine (Wisconsin), Minneapolis-St. Paul, Los Angeles, and San Francisco. (Lampton) said the delegation will visit local leaders and businessmen. In Washington, they will meet with government officials and congressmen. In New York, Zhu Rongji will address a dinner party of the highly prominent Foreign Relations Committee. (Lampton) believed that this will be a very important visit.

New York Stages Chinese 'Expo' Trade Fair

OW0507023490 Beijing XINHUA in English
0944 GMT 4 Jul 90

[Text] New York, July 3 (XINHUA)—China Trade Expo '90 ended here today with a total contracted volume of more than 60 million U.S. dollars.

The seven-day exhibition sponsored by the China Council for the Promotion of International Trade attracted over 6,000 visitors, including American business people and traders from other parts of the world.

More than 130 foreign trade companies and manufacturers from 23 Chinese provinces, municipalities, and

autonomous regions displayed their best products at the Jacob K. Javits Convention Center. The great variety of commodities in 24 categories included newly developed electronic products, machinery, and instruments, as well as traditional Chinese exports. Chinese-foreign joint ventures added new colors to the exhibition.

The Yantai Polaris Timepiece Group Corp., which exhibited products in the United States for the first time, had come simply for a glance at the American market and getting to know new customers. To their great joy, they got contracts worth 130,000 U.S. dollars during the first six days, all signed with new customers.

The Zhong Yuen Shoe Co. Ltd. from Shandong Province, east China, offered their "Geant" sneakers, the official footwear for the upcoming Asia Games to be held in Beijing in September. With excellent quality and competitive prices, the "Geant" sneakers attracted big crowds every day and gathered orders worth 730,000 U.S. dollars during the trade fair.

The Guizhou Co. Ltd. of the China National Automotive Industry Import and Export Corporation, from China's southwest hinterland, also pocketed a contract volume of 1.87 million U.S. dollars, including 50 buses worth 960,000 U.S. dollars to be shipped to Jamaica, and bearings and other products worth 910,000 dollars bought by American firms.

The China State Shipbuilding Corp. and Jiangnan Shipyard, convinced U.S. customers of their advanced technology and strong capability in shipbuilding by the models, pictures, and catalogues of their products. Since it was impossible to strike big contracts such as ordering ships during a one-week show, they succeeded in luring several scores of business people into serious talks on buying their ships. Besides ships, American customers also showed interest in their anchors, chains, valves, pumps, castings, and electronic products.

Ambassador Urges Sino-U.S. Trade

HK0307105290 Hong Kong TA KUNG PAO in Chinese
29 Jun 90 p 3

["Special dispatch from New York" by staff reporter Chiang Kuo-yuan (1203 0948 0337): "While Visiting a Chinese Trade Exhibition in New York, the Chinese Ambassador Zhu Qizhen Urged Promotion of Sino-U.S. Cooperation"]

[Text] New York, 27 Jun (TA KUNG PAO)—The United States has become China's third largest trade partner and so far American investors have set up nearly 1,000 companies in China, Chinese ambassador to the United States, Zhu Qizhen said here today. He hoped this trend will continue to develop as it is beneficial to both the Chinese and American peoples.

Zhu Qizhen aired the above view when presiding over the opening ceremony of the China Trade Expo '90 cosponsored by the China Council for the Promotion of

International Trade and the Chinese International Chamber of Commerce, the largest comprehensive trade exhibition ever held by China in the United States in the past 10 years.

Addressing the opening ceremony, Zhu Qizhen said: The policy of opening up which China has implemented over the past 10 years will continue. China will provide foreign businessmen with a fine environment for investment and is willing to export quality products to the overseas market.

He said: Thanks to unremitting efforts over the past 10 years the United States is now China's third largest trade partner, while China ranks 13th among the United States' trade partners. He noted that in 1989, the volume of Sino-U.S. trade hit a record high, totaling \$12 billion, while 929 American companies have invested a total of \$4.1 billion in China.

Referring to U.S. President Bush's decision to renew the most-favored-nation status for China, Zhu Qizhen praised it as a wise decision. He said: I would like to take this opportunity to thank our friends who have supported China and I also hope that congressmen will support President Bush's decision. The decision, he said, will ensure better lives for both the Chinese and American peoples.

Nearly 100 companies from over 10 provinces, autonomous regions, and municipalities, ranging from companies dealing in heavy-duty machinery to tea exporters, joined the exhibition which opened today at the Jacob K. Javits Convention Center, New York. More than 1,000 commodities are on display in the exhibition hall which covers a floor area of 1,000 square meters. Zheng Hongye, chairman of the China Council for the Promotion of International Trade, presided over the opening ceremony.

Guo Haibin, deputy head of the exhibition delegation and deputy director of the Overseas Exhibition Section of the China Council for the Promotion of International Trade, told this reporter that the 300 members of the exhibition delegation, most of whom are persons in charge of companies participating in the Expo, will not only promote their products but will also work to arrange imports of technology and products to China through the Expo. Representatives from the U.S. Department of Commerce and departments concerned in New York City also attended today's opening reception.

State Councillor Meets Ford Foundation Official

*OW0207121590 Beijing XINHUA in English
0741 GMT 2 Jul 90*

[Text] Beijing, July 2 (XINHUA)—Chinese State Councillor Chen Junsheng met chief representative of the China office of the Ford Foundation, Peter Geichner, here today in the Great Hall of the People.

In his conversation with Geichner, Chen thanked the foundation for its assistance in the economic development of China's poverty-hit areas. He said he hoped the cooperation between the foundation and China in this field would continue in the future.

Shenzhen Bike Firm Purchases U.S. Company

*OW0507234190 Beijing XINHUA in English
1419 GMT 5 Jul 90*

[Text] Shenzhen, July 5 (XINHUA)—The Shenzhen Zhonghua Bicycle Company Ltd has purchased Western State Import (WSI), the second-largest bicycle manufacturing and marketing firm in the United States, at a cost of 15 million U.S. dollars.

The Shenzhen bicycle company, a Sino-foreign joint venture, is a leading bicycle exporter on the Chinese mainland. In the first half of this year the company exported all the 420,000 bicycles it produced, a 20 percent increase over the same period of last year.

The purchase of the U.S. firm will enable the Shenzhen company to expand its markets in North America, a spokesman for the company said.

WSI is a big purchaser of Taiwan's bicycles. Sources here said that the purchase may make Taiwan's bicycle producers shift their business to the Chinese mainland on an even larger scale.

Shanghai, Canadian Students Open Summer Camp

*OW0607000590 Beijing XINHUA in English
1428 GMT 5 Jul 90*

[Text] Shanghai, July 5 (XINHUA)—An English-language summer camp was opened here today by 10 university students from the United States and Canada and 60 students from the Shanghai Middle School.

The opening ceremony was held on the campus of the Shanghai Middle School. The camp is jointly sponsored by the Shanghai branch of the Chinese Education Association for International Exchanges and Worldteach of Harvard University in the U.S.

The students will live and study together for six weeks. The ten university students are from Harvard, Georgetown and Montreal Universities, the University of California (Berkeley and San Diego), and the University of New York (Syracuse). Their average age is 21.

In the coming weeks the U.S. and Canadian students will teach the Chinese students conversational English and U.S. songs and dances. At the same time they will learn conversational Chinese, Chinese cooking, engraving, potted flower growing, and folk songs and dances from the latter.

Tang Shengchang, president of the Shanghai Middle School, said this is the first summer camp opened by Worldteach in China. He said it will help Chinese

students to get to know more about the world and help foreign students to get to know more about China.

Sports activities, sightseeing and visits to residents' homes in Shanghai are also arranged.

Soviet Union

Newsletter Speculates on 28th CPSU Congress

HK0307052890 Beijing RENMIN RIBAO in Chinese
1 Jul 90 p 6

[Newsletter from staff reporter Zhou Xiangguang (0719 6272 0342): "The 28th Congress of the CPSU Will Be Held in a Complicated and Difficult Situation"]

[Text] Moscow, 29 Jun (RENMIN RIBAO)—The 28th Congress of the CPSU is due to open in early July. From the public's point of view here, the domestic situation in the Soviet Union on the eve of the congress is very disturbing. "An Appeal to Russian Communists and People," passed at the representative conference which had just announced the founding of the Russian Communist Party, says that the Soviet Union is now in its most complicated period in history. "Economic crisis, tense social atmosphere, nationality disputes, separatist mentality of some republics, activeness of anti-socialist forces, ideological divergence among the masses, and serious distortion of the Soviet social moral basis, all pose latent threats to reforms and the Soviet Union as a unified federal country...." Under such conditions, hope is placed on the 28th Congress of the CPSU, which is counted on to bring certain improvements, and gradually extricate the party and state from the crisis.

The four-months of preparations for the congress have shown that serious differences exist on a variety of issues in the party, and some organized cliques that oppose each other have even emerged. In February this year, the CPSU Central Committee discussed and passed the draft program of "Toward a Humanitarian, Democratic Socialism" and the draft "Party Constitution" for the whole party to discuss. While explaining that "One should take as one's own goal the founding of a humanitarian and democratic socialism and the establishment of internationalism and the values of all men," these documents also emphasize that it is necessary to hold on to socialism, a choice of the October Revolution, and take developing the thoughts of Marx, Engels, and Lenin in a creative way as the basis. Also highlighted are the role of the party as the vanguard, the need to fight to defend its ruling position in the process of democratization, the need to uphold the principle of democratic centralism in the party, and the need to oppose the factional and federalizing tendency in the party. In the meantime, the "democratic program advocates" and the "Marxist program advocates" also put forward their respective "programs." They criticized the program of the CPSU Central Committee from different angles and advanced their own proposals. These differing views seriously collided with each other when the deputies to

the 28th CPSU Congress were being elected by grassroots party organizations. A summary of the reports here shows that those in support of the CPSU Central Committee's program constitute the majority of the deputies to the 28th congress, whereas those favoring the "democratic program" are dominating the supreme soviets in Moscow, Leningrad, and the Russian Soviet Federated Socialist Republic [RSFSR]. This mirrors the extremely complicated situation in the political life of the Soviet Union.

With such seriously diverging views, the Communist Party Representative Conference of the RSFSR (renamed the Founding Conference of the Russian Communist Party after it was open), wound up not long ago, has naturally become the focus of attention, because the representatives present were the very deputies to the 28th congress from the RSFSR, taking up about 60 percent of all deputies. This explains why people believe that the representative conference of the Russian Communist Party was in fact a preview of the 28th CPSU Congress. At the conference, Gorbachev made a theme report on behalf of the Russia Bureau of the CPSU Central Committee. According to an interim motion, the "democratic program advocates" and the "Marxist program advocates" also stated their stands as subsidiary reports of the conference. Heated debates came up at the conference centering around how to overcome the political and economic difficulties now facing the Soviet Union, and around the principle governing the founding of the Russian Communist Party. It is widely believed here that these debates were much of the nature of sharp criticisms. A journalist who has followed closely the developments in the CPSU, holds that the Central Committee will do its best to avoid division. In reply to the questions raised by the representatives, Gorbachev kept emphasizing: At this difficult and critical moment when the tide is turning, unity is necessary for both the CPSU and society. The newly elected first secretary of the RSFSR Communist Party (Poltakov) expressed his conviction that under the prerequisite of "opting for socialism," a common ground is accessible in many respects.

The 28th CPSU Congress will be opened on 2 July. Many observers here believe that the congress will proceed amidst sharp conflicts and fierce confrontation. There are also speculations that the 28th congress may go through two stages: At stage one, different groups put forward their own views and, when the conference stands adjourned, seek compromise. This then leads to stage two. Of course there will be limits to the compromise. The majority of the people here do not wish to see division in the CPSU. But whether or not it can be avoided will not be known until the congress finishes.

Shevardnadze Comments on Border With China

OW 0507153490 Beijing XINHUA in English
1050 GMT 4 Jul 90

[Text] Moscow, July 3 (XINHUA)—The 28th Soviet Communist Party congress heard reports by top officials in charge of major sectors of party work at the second day meeting here today.

Till now, 11 full and alternate members of the party Politburo have taken the floor, and other Politburo members are expected to deliver their reports to different sections and commissions on Thursday.

Those who have addressed the congress include Prime Minister Nikolay Ryzhkov, Party Central Committee Secretaries Lev Zaykov, Yegor Ligachev and Georgiy Razumovskiy, Foreign Minister Eduard Shevardnadze, Defence Minister Dmitriy Yazov, State Planning Committee Chairman Yuriy Maslyukov, former Russian President Vitaliy Vorotnikov and KGB Chairman Vladimir Kryuchkov.

Ryzhkov, who was the first to report to the congress after General Secretary Mikhail Gorbachev delivered a lengthy political report at the opening session Monday, stressed the urgent need to reform prices, saying that "a transition to the market-oriented economy cannot be fulfilled without reforming prices."

Ligachev in his speech lashed out at the anti-socialism and anti-Communist Party forces and reiterated his "open and uncompromising stand on genuine socialism and the party's role."

Foreign Minister Shevardnadze said today in his report that the confrontation with the West over the past two decades had cost the Soviet Union 700 billion rubles in military spending in addition to what was needed to achieve parity.

He disclosed that the creation of a military infrastructure on the border with China entailed the expenditure of 200 billion rubles.

Defense Minister Yazov stressed that "ensuring security in the nuclear-space age was first and foremost a political task and it should be solved by political means."

The party congress, which is expected to last 10 days, will kick off a debate Wednesday on Gorbachev's political report.

Chinese Friendship Delegation Visits USSR

OW0607075990 Beijing XINHUA Domestic Service in Chinese 1411 GMT 28 Jun 90

[Text] Moscow, 28 June (XINHUA)—Nishanov, chairman of the Council of Nationalities of the Supreme Soviet, met here on 28 June with the delegation of the Chinese People's Association for Friendship with Foreign Countries, headed by Chen Haosu, vice president of the Chinese People's Association for Friendship with Foreign Countries. Both sides held talks on such issues as developing friendly exchanges between the peoples of the two countries.

The delegation of the Chinese People's Association for Friendship with Foreign Countries started the visit to the Soviet Union on 18 June at the invitation of the Soviet Committee for Solidarity with Asian and African countries.

Chen Haosu briefed his host on the aims and activities of the association. He said it attaches great importance to developing friendly relations with the Soviet people. Nishanov stressed that the measures the Soviet leaders took to actively develop comprehensive cooperative relations with China, a great, neighboring country of the Soviet Union, have won the universal approval of the Soviet people.

Chinese Ambassador to the Soviet Union Yu Hongliang was present at the meeting.

Northeast Asia

Japan Urges West Not To 'Isolate China'

OW0507125090 Beijing XINHUA in English 1228 GMT 5 Jul 90

[Text] Brussels, July 5 (XINHUA)—Japanese Foreign Minister Taro Nakayama yesterday criticized the Western nations for what he described as their efforts to isolate China.

Nakayama, who came here for a meeting of Western foreign ministers, made his comments at talks last night with ministers from Italy, Ireland and Luxemburg, European Community sources said.

Nakayama appealed to the EC to resume dialogue with China as soon as possible. He hoped the summit of Western industrial nations, due to open on July 9 in Huston, Texas, would take a positive attitude towards lifting all sanctions against China.

EC To Resume PRC Contacts 'in Late September'

OW0507224090 Beijing XINHUA Domestic Service in Chinese 1158 GMT 5 Jul 90

[By reporter Sun Weijia]

[Text] Brussels, 5 Jul (XINHUA)—Japanese Foreign Minister Taro Nakayama, who is here to attend a meeting of foreign ministers of the 24-nation bloc of the West, said on 3 July that Japan is against isolation of China by the West.

According to sources of the European Community, Nakayama met with foreign ministers of Italy, Ireland and Luxemburg—the former, the current, and the next executive chairmen of the European Community Council of Ministers, on 3 July. He called on the European Community to resume dialogue with China as soon as possible. He also said that Japan hoped the seven-nation summit of Western nations, due to open in Houston on 9 July, would take a positive attitude toward lifting sanctions against China.

Meanwhile, the EC Council of Ministers confirmed here yesterday that the European Community will resume its political contacts with China in late September. The

three chairmen of the council will meet the Chinese foreign minister during the UN General Assembly session in New York.

Li Tieying on Improvement of Ties With Japan

OW0507224390 Beijing XINHUA in English
1512 GMT 5 Jul 90

[Text] Osaka, Japan, July 5 (XINHUA)—Visiting Chinese State Councillor and Minister in Charge of the State Education Commission Li Tieying reiterated here today his call for joint efforts by Japan and China to overcome difficulties in the bilateral relations.

At an evening reception given in his honour by the Osaka prefectural government, Osaka municipal government and the Osaka Chamber of Commerce and Industry, Li said the Chinese Government likes very much to further develop friendly co-operation with Japan.

So long as the two countries made joint efforts, the difficulties could surely be overcome, the state councillor stressed.

Earlier in the day, Li attended a ceremony marking the People's Republic of China day at the international garden and greenery exposition here.

Li arrived in Japan last Saturday at the invitation of the Japanese Government to host today's China day ceremony.

Before arriving in Osaka on Wednesday, he met Japanese Prime Minister Toshiki Kaifu and other Japanese Government and business leaders in Tokyo.

Meets Overseas Chinese in Tokyo

OW0607034090 Beijing XINHUA Domestic Service
in Chinese 1449 GMT 4 Jul 90

[Text] Beijing, 3 Jul (XINHUA)—State Councillor Li Tieying, who is currently visiting Japan, met with responsible persons from the Tokyo Overseas Chinese Association and the Yokohama Overseas Chinese Association on the afternoon of 3 July.

Li Tieying first conveyed his greetings to all. He then wished the Overseas Chinese in Japan prosperity and happiness.

Li Tieying told those present at the meeting that domestic political situation is currently stable and the economy is developing steadily. Although difficulties still exist, the most difficult period is already over.

Li Tieying said: The Chinese people are a great people. We certainly can achieve great unity and cooperation amongst all nationalities; we surely can stand up proudly amongst peoples of the world.

Jiang Zemin Meets Japanese Newspaper President

OW0607102090 Beijing XINHUA in English
1001 GMT 6 Jul 90

[Text] Beijing, July 6 (XINHUA)—Jiang Zemin, general secretary of the Chinese Communist Party Central Committee, met here today with Noboru Watanabe, president of Japanese MAINICHI newspapers.

In the meeting, Jiang answered the guest's questions concerning the Western seven-nation summit to be held in Houston, U.S., Sino-Japanese and Sino-U.S. relationships, Beijing's 11th Asian Games, China's economy and the relationship between Taiwan and the mainland.

Zhu Liang Meets LDP's Ozawa in Tokyo

OW0607050590 Beijing Domestic Service in Mandarin
0930 GMT 3 Jul 90

[From the "National Hookup" program]

[Text] Ichiro Ozawa, secretary general of Japan's Liberal Democratic Party [LDP] met Zhu Liang, member of the CPC Central Committee and minister of the International Liaison Department of the CPC Central Committee, and his entourage yesterday at LDP headquarters in Tokyo.

Both sides maintained that opening up exchanges between the two political parties will help strengthen mutual understanding and promote the development of relations between the two countries.

Ichiro Ozawa said that Japan should be farsighted and try its best to increase Japanese-Chinese cooperation. He said: Regardless of whatever changes that take place in the international situation, Japan and China should continuously develop friendship.

Japan's Takeshita on PRC Political Stability

OW0607035290 Beijing Domestic Service in Mandarin
2130 GMT 4 Jul 90

[From the "News and Press Review" program]

[Text] At a meeting with Zhu Liang, member of the CPC Central Committee and head of its International Liaison Department, in Tokyo on 3 July, former Japanese Prime Minister Noboru Takeshita said more people should understand that the political situation in China is stable.

Takeshita said: During the forthcoming meeting of heads of government of seven industrialized Western countries, Japan will indicate its stand that China's should not be isolated.

On the third yen loan and other economic cooperation projects with China, he said Japan must protect its reputation and seriously keep its word.

Chen Xitong Meets With Japanese Economist Team

SK0507010590 Beijing BEIJING RIBAO in Chinese
30 May 90 p 3

[Text] On the afternoon of 29 May at the Beijing municipal government building, Mayor Chen Xitong met with the eighth China-visiting team composed of personages of economic circles in Tokyo Prefecture, headed by (Chikara Teiko), adviser to the Japanese National Headquarters of the Japan-China Friendship Association and deputy director of the Japan-China Friendship Association in Tokyo Prefecture.

Since 1985, the Japan-China Friendship Association in Tokyo Prefecture has organized personages on economic circles to visit China every year. During the reception, Chen Xitong looked extremely happy to meet again his old friends. He acclaimed the friendship of (Chikara Teiko) and other Japanese friends with the Chinese people with the proverb "the force of the wind tests the strength of the grass." He expressed hope that such a tried friendship would continually develop. Chen Xitong also presented 11th Asian Games souvenirs to the guests. Tie Ying, secretary general of the municipal government, also joined the reception.

Japanese Garment Seller Holds Seminar in Beijing

OW0507035190 Beijing XINHUA in English
1350 GMT 4 Jul 90

[Text] Beijing, July 4 (XINHUA) —A seminar given by the Taka-Q Co. Ltd, Japan's biggest garment seller, has drawn more than 200 Chinese clothing producers and sellers from within and outside this city.

At the seminar in the XINHUA building yesterday and today, Taka-Q President Taiken Takaku and his staff lectured on the designing and selling of garments, the running and management of clothing business and fashion trends in Japan, Europe and America.

The seminar was given at invitation of China's Hua Yang Technology and Trade Cooperation.

In an interview with XINHUA today, the 79-year-old Takaku spoke of his love for the Chinese people and his efforts to expand China's garment exports to Japan.

Takaku said at his age he still works hard for Japan-China friendship, so as to set an example for the young people in carrying on that friendship from generation to generation.

Speaking of Taka-Q's expansion plan for trade with China, Takaku said their first step is to expand imports of Chinese garments, bringing import volume from the present annual figure of 15 billion to 30 billion yen.

The second step will be to provide designs and material for production in China, and the third to set up joint ventures or cooperative businesses, he said.

Attending a return banquet given by Taka-Q here this evening, Wu Wenying, Chinese minister of Textile Industry, said the seminar is "very useful in promoting China's garment industry."

Wu expected Sino-Japanese exchanges in the sector, which she described as "vigorous in recent years," to be further strengthened.

Comparison of Li on Sino-Japanese Relations

HK0207030990

Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese on 2 July carries on page one an 800-character report entitled "Strong and United Collective CPC Leadership."

This item has been compared with the Beijing XINHUA in English version published on pages 6-7 of the 2 July China DAILY REPORT and has been found to be identical except for the following variations:

Page six, column two, paragraph one, sentence one reads: ...Li Peng met and held cordial talks today in Beijing... (supply additional words "held cordial talks").

Page seven, column one, paragraph seven, only sentence reads: ...achieved tangible results. Now it is quite clear that economic improvement and rectification has not affected or hindered China's reform and opening up. Instead, it has created better conditions for deepening reform and for the sustained, steady, and coordinated economic growth. (supplying additional passages and rewording).

Paragraph nine, last sentence reads: ...to wrong doings."

The sixth meeting of the 21st Century Committee for Sino-Japanese Friendship opened yesterday in Tianjin. (supplying additional graf and omission of two grafs).

Comparison of Policy on Students Abroad

HK0507090090

Beijing RENMIN RIBAO in Chinese on 3 July publishes on the upper left hand corner of page six an 800-character report by Yu Qing (0060 7230) on China's policy toward students studying abroad.

This report has been compared with the Beijing XINHUA Domestic Service in Chinese version published on pages 5-6 of the 2 July China DAILY REPORT and has been found to be identical except for the following variations:

Page five, column two, paragraph one, only sentence reads: ...Tokyo, 1 Jul (RENMIN RIBAO)—Li Tiesing, state... (noting change in dateline attribution).

Page six, column one, paragraph one, penultimate sentence reads: ...be rationally granted. We will actively provide conditions and make appropriate arrangements

for the work, study, and livelihood of personnel who return from their studies abroad.

Li Tieying expressed four points of hope to Chinese personnel studying abroad and working personnel of embassies and consulates:

First, we hope that personnel studying abroad will carry forward the spirit of the Chinese nation, preserve their national integrity, and enhance their national self-respect and sense of pride.

Second, we hope that personnel studying abroad will take into account the motherland's policy of reform and opening up as well as its broad territory to display their talents after they return to China, will study hard the advanced science, technology, management experiences, and beneficial cultural developments of the countries in which they are staying, and will improve their skills to serve the motherland.

Third, we hope that personnel studying abroad will abide by the relevant Chinese law, rules, and regulations, will respect the laws, customs, and habits of the countries in which they are staying, and will observe the discipline and requirements of the schools in which they are studying.

Fourth, we hope that working personnel of embassies and consulates will enthusiastically serve Chinese personnel studying abroad, will find out about their wishes and demands, will solve their problems in study and life, and should try to be their good instructors and friends. (noting deletion of sentence and addition of five paragraphs).

DPRK Confers Honorary Title on Chinese Writer

SK0607063790 Shenyang Liaoning Provincial Service
in Mandarin 0930 GMT 5 Jul 90

[Text] Recently, the Central Committee of the Korean Writers Union decided to confer the DPRK's honorable title of honorary writer on (Wang Jinhai), member of the Chinese Writers' Association, vice chairman of the Liaoning Provincial Federation of Literary and Art Circles, and a poet. The General Consulate of the DPRK stationed in Shenyang has already issued the certificate of honorary writer to (Wang Jinhai).

While serving as deputy secretary of the Dandong City CPC Committee, (Wang Jinhai) paid a visit to the DPRK, and published a collection of poems concerning this visit. When Chairman Kim Il-song visited China, he highly appraised this collection of poems.

Mongolia's Rinchin Stresses Ties With PRC

OW0607034290 Beijing XINHUA Domestic Service
in Chinese 1435 GMT 30 Jun 90

[Text] Ulaanbaatar, 30 Jun (XINHUA)—Lodongiyn Rinchin, chairman of the People's Great Hural of Mongolia, met at the government building here today with a

delegation from the Chinese People's Association for Peace and Disarmament headed by Lin Huaxuan.

Rinchin said: Mongolia will uphold the policy of cooperating with and opening to all countries. Maintaining and developing friendly relations with its two neighbors, China and the Soviet Union, is in the interest of the Mongolian people. Now is the best time for the development of relations between Mongolia and China. I believe your visit will further strengthen the friendly ties between the two countries. Lin Huaxuan praised the Mongolian people for their successes in peaceful labor and socialist construction.

Chinese ambassador to Mongolia Zhang Delin was present at the meeting.

The delegation of the Chinese People's Association for Peace and Disarmament arrived in Mongolia on 25 June at the invitation of the Mongolian Committee for the Defense of Peace.

Southeast Asia & Pacific

Further on Indonesian Foreign Minister's Visit

CHINA DAILY Report

HK0407011290 Beijing CHINA DAILY in English
4 Jul 90 p 1

[By staff reporter Zhang Ping]

[Text] China and Indonesia announced yesterday that they will resume diplomatic relations on August 8—after a suspension of 23 years.

Chinese Foreign Minister Qian Qichen and his Indonesian counterpart Ali Alatas signed the communique in Beijing, declaring the resumption of relations.

The communique also announced that Chinese Premier Li Peng will visit Indonesia next month, upon the invitation of Indonesian President Suharto, to mark this occasion.

Alatas, who came to Beijing on Sunday as the first Indonesian Government minister to visit China since 1967, said he had fulfilled his mission on resolving "when and how" to restore diplomatic ties with China, which were first set up in 1950 but severed in 1967.

Prior to yesterday's signing ceremony, party General Secretary Jiang Zemin held talks with Alatas in Beijing's Zhongnanhai, headquarters of the Chinese Communist Party.

He said he was very happy with the successful talks held between Alatas and Qian and described the resumption of relations as "the clouds have gone and the sun shines again."

He told the Indonesian foreign minister that the Communist Party of China would abide with the principle of

"never interfering with other party's internal affairs" in handling its relations with other communist and political parties.

Alatas said no country should intervene in any other country's internal affairs, which should be decided only by the people of that country.

On the question of establishing diplomatic relations between China and Singapore, following the resumption of China's relation with Indonesia, Qian told a press conference that "both China and Singapore are making preparations" in this respect.

At the press conference, the two foreign ministers said they were sure relations between China and Indonesia has opened a new chapter and economic, trade and cultural co-operation between the two countries would be developed. Qian said the normalization of state relations between the two most populous countries in the Asia-Pacific region would have a far-reaching and progressive influence on the peace, stability and development of the region.

Talking about Indonesia's relations with Taiwan, Alatas said that Indonesia's one-China policy would remain unchanged, and that even during the period when the two countries suspended their diplomatic relations, "Indonesia still recognized that the government of the People's Republic of China is the only legitimate government of China."

China and Indonesia began talks February, 1989, when Qian met with President Suharto in Tokyo.

The two ministers signed the Agreement on the Settlement of Indonesia's Debt to China on Monday.

Further on Qian-Alatas News Conference

HK0607053990 Beijing RENMIN RIBAO in Chinese
4 Jul 90 p 4

[Dispatch by reporter Sun Yi (1327 3015): "Chinese Foreign Minister Qian Qichen, Indonesian Foreign Minister Ali Alatas Hold Joint Press Conference"]

[Text] Beijing, 3 Jul (RENMIN RIBAO)—Chinese Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas today held a joint press conference and answered some questions of common concern raised by Chinese and foreign reporters after they signed a communique on resumption of Sino-Indonesian diplomatic relations at the Fangfei Pavilion in the Diaoyutai State Guesthouse.

At the beginning of the press conference, Foreign Minister Qian Qichen first declared: Diplomatic relations between the PRC and the Republic of Indonesia, which were established in 1950 and which have been suspended for 23 years, will be resumed on 8 August. The long-cherished aspirations of the Chinese and Indonesian peoples have been realized. He also pointed out: The normalization of relations between two of the most

populous countries in the Asia-Pacific region will undoubtedly produce far-reaching and positive effects on the peace, stability, and development of the region. He maintained that it is the far-sightedness of the leaders of the two countries that has made this major achievement possible. He said that he believed that Premier Li Peng's coming visit to Indonesia will instil new vigor into the resumed relations between the two countries.

Foreign Minister Ali Alatas pointed out: The great achievement scored today will turn a new page in our relations. He said that he fully agreed with Foreign Minister Qian's assessment that the development of relations between the two countries will not only benefit the peoples of the two countries and also make great contributions to the peace, stability, and common development of the Asia-Pacific region.

Asked by a reporter whether, since Singapore had indicated that it would establish diplomatic relations with China only after China resumed diplomatic relations with Indonesia, and now that Sino-Indonesian relations have been resumed, China had started working to establish diplomatic relations with Singapore, Foreign Minister Qian said: I can tell you that both China and Singapore are making preparations.

In response to a question on how China and Indonesia will promote mutual economic cooperation following the resumption of diplomatic relations between them, Foreign Minister Alatas pointed out: China and Indonesia started direct trade in 1985. Since then, trade relations between the two countries have greatly developed. Now diplomatic relations between the two countries have resumed, one thing we want to do is draw up a new trade treaty, and both sides have started making preparations for it. As two of the most important countries in the Asia-Pacific region, economic cooperation between Indonesia and China will undoubtedly not be confined to trade. With the resumption of diplomatic relations their exchanges in other areas are bound to increase. Therefore, greater progress will be made in the already developed trade between the two countries.

Asked whether China and Indonesia have agreed on some principles and regulations for handling the extensive trade and investment relations between Indonesia and Taiwan, Foreign Minister Alatas pointed out: Unlike other ASEAN nations, Indonesia established diplomatic relations with China early in the 1950's. The relations were on the solid foundation of the "one China" policy, and were so even when diplomatic ties were temporarily suspended. Indonesia maintained economic and trade ties with Taiwan after the establishment of its diplomatic relations with China, and even when diplomatic ties were temporarily suspended. China understands this. However, Indonesia has always adhered to the stance of "one China." Even when our diplomatic ties with China were temporarily suspended, we did not want to change that stance. We acknowledge only one China, that is the PRC.

Further on Alatas Departure

BK0407115490 Beijing International Service
in Indonesian 0830 GMT 4 Jul 90

[Text] Indonesian Foreign Minister Ali Alatas, his wife, and entourage left Beijing for home this morning via Hong Kong. Alatas' four-day official visit to the People's Republic of China was successful.

Chinese Foreign Minister Qian Qichen and his wife; Assistant Foreign Minister Xu Dunxin; and (Zhang Zhing), vice director general of the Asian Affairs Division in the PRC Foreign Ministry, saw them off at airport.

Commentary Welcomes Resumption of Ties

BK0507161990 Beijing International Service
in Indonesian 0830 GMT 5 Jul 90

[Station commentary]

[Text] Chinese Foreign Minister Qian Qichen and Indonesian Foreign Minister Ali Alatas signed a communique in Beijing on Tuesday [3 July] announcing the decision of the governments of the PRC and Indonesia to normalize relations on 8 August. Premier Li Peng will pay an official friendly visit to Indonesia at the invitation of President Suharto for the normalization of diplomatic relations between the two countries.

In line with the objectives of the foreign ministers of the two countries, the normalization of Sino-Indonesian relations will not only benefit the peoples of both countries, but will also undoubtedly have far-reaching and positive effects on peace, stability, and development in the Asia-Pacific region.

Foreign Minister Qian Qichen said that it was possible to achieve the normalization of Sino-Indonesian diplomatic relations smoothly due to the far-sightedness and sagacity of the leaders of the two countries.

The process of normalizing Sino-Indonesian relations began with a three-point consensus on the basis of the Five Principles of Peaceful Coexistence and the ten principles of the Bandung Conference after President Suharto received the Chinese foreign minister in Tokyo on 23 February 1989. Shortly thereafter, senior Chinese leader Deng Xiaoping and Premier Li Peng expressed their appreciation for the resolute political decision made by President Suharto.

The resumption of the Sino-Indonesian diplomatic relations is the normal outcome of historical development and the continuous interaction between the two countries in recent years. Traditional friendly contacts between the peoples of China and Indonesia have a long history. Historical records and archaeological findings reveal that friendly interaction between the peoples of China and Indonesia go back over 2000 years. At the beginning of this century, the peoples of the two countries always had mutual sympathy and lent support and

inspiration to each other in their struggles against imperialism and colonialism as well as in their achievement of national independence.

Due to various reasons, the Sino-Indonesian diplomatic relations established in 1950 were temporarily suspended. Contacts between personnel of the two countries began in the early eighties and exchanges of visits increased. Initially, these were exchanges of visits by sports teams. Sportsmen and sportswomen from the two countries participated in international badminton, tennis, and soccer tournaments and other sports activities held in either country. This deepened the mutual understanding and encouraged the development of friendship.

In the field of trade, the China Chamber for the Promotion of International Trade [CCPIT] and the Indonesian Chamber of Commerce and Industry signed a memorandum of understanding in Singapore on 5 July 1985 on reopening direct Sino-Indonesian trade links. Following that, more exchanges of visits between businessmen from the two countries took place and the volume of bilateral trade increased to a higher level year after year. Between 1982 and 1985, the trade volume between the two countries never reached \$1 million per year. But, trade volume reached \$460 million in 1986 and reached over \$800 million last year; an increase of 200 percent.

Speaking of prospects for bilateral economic relations before a joint news conference, Indonesian Foreign Minister Ali Alatas said that such cooperation should not be confined to trade. Once Sino-Indonesian diplomatic relations resume, exchanges in other fields are bound to increase. In the field of politics, frequent contacts between officials of the countries will ensue. The two countries have identical or almost identical views on important international issues. In an effort to seek a fair, rational, and comprehensive settlement of the Cambodian issue, the two countries always maintain good cooperation.

It should be stressed that during his visit to China this time, Foreign Minister Ali Alatas reiterated that Indonesia recognizes only one China and that is the PRC. In a meeting with Indonesian guests, Premier Li Peng said that the PRC appreciates the insistence on the one-China policy by the Indonesian Government under the leadership of President Suharto.

Meanwhile, during a meeting with Foreign Minister Ali Alatas, General Secretary Jiang Zemin said that any country has the right to adopt any social system it prefers and other countries should not interfere. General Secretary Jiang Zemin said that in its relations with communist parties and political parties of other countries, the Communist Party of China adheres to four principles, one of which is noninterference in other party's internal affairs.

In an interview with Indonesian journalists, Premier Li Peng said that the PRC and Indonesia will develop comprehensive relations in various fields on the basis of

the Five Principles of Peaceful Coexistence, including in the political, economic, cultural, and educational fields, as well as in trade relations.

In a meeting with the Indonesian foreign minister, Premier Li Peng said that the PRC wants to maintain friendly relations and cooperation with ASEAN countries. During a visit to Thailand in November 1988, on behalf of the PRC Government, Premier Li Peng put forward the four principles on the development of the PRC's relations with various ASEAN countries. The four principles are: Strict adherence to the Five Principles of Peaceful Coexistence in relations between countries; strong opposition to hegemonism; strong adherence to the principles of equality, mutual benefit, and mutual development with regard to economic relations; and the implementation of a free and independent principle, mutual respect, close cooperation, and mutual support in international affairs.

Senior Chinese leader Deng Xiaoping used to say that the resumption of Sino-Indonesian diplomatic relations will assist the PRC and other ASEAN countries in further developing friendly relations and cooperation. General Secretary Jiang Zemin said exactly: The dark clouds have disappeared, and the sun is coming out.

The PRC hopes that the friendly official visit by Li Peng to Indonesia at the time of the normalization of Sino-Indonesian diplomatic relations will definitely promote relations between the two countries to a new phase.

Commentary on Normalizing Ties

*OW0607053490 Beijing International Service
in Mandarin 0900 GMT 4 Jul 90*

[Station commentary "New Page in Relations Between China and Indonesia"]

[Text] Indonesian Foreign Minister Ali Alatas paid an official friendship visit to China from 1 to 4 July. This was the first visit to China by a high-ranking Indonesian Government official in the last 23 years since the severance of diplomatic relations between the two countries. Accordingly, the Chinese and Indonesian governments attached great importance to his visit, and the whole world followed it with interest. The following is a commentary by our station reporter entitled "New Page in Relations Between China and Indonesia":

Prior to the conclusion of Foreign Minister Alatas' visit to China, the Chinese and Indonesian foreign ministers signed and issued a communique on the restoration of diplomatic relations between the two countries. The communique says that the PRC and Indonesia governments have decided to restore diplomatic relations between the two countries on 8 August 1990 and that Chinese Premier Li Peng will visit Indonesia following the resumption of diplomatic relations. This historical decision is the result of joint efforts of the Chinese and Indonesian governments and reflects the farsightedness and sagacity of the leaders of both countries. The

resumption of diplomatic relations between the two countries at an early date has been the common wish of the Chinese and Indonesian peoples, and this wish has finally been realized today.

China and Indonesia are close neighbors separated by a stretch of water. After World War II, the two countries emerged in Asia as new developing countries. In 1950, the two countries established diplomatic relations. As both countries were victims of colonial and imperialist oppression and both were faced with the pressing task of developing their national economy, their relations developed quite smoothly in the fifties. Owing to various historical reasons, the diplomatic ties between the two countries were suspended in October 1967.

In recent years, relations between the two countries developed with each passing day. In 1985, the two countries signed a memorandum on direct trade. In February 1989, during their meeting in Tokyo, President Suharto and Chinese Foreign Minister Qian Qichen decided to begin the process of normalizing bilateral relations on the basis of the Five Principles of Peaceful Coexistence and the 10 principles of the Bandung Conference. Since then, after many contacts and consultations between UN representatives, the two countries reached agreement on debts and technical issues. Last December, Xu Dunxin, Chinese assistant minister for foreign affairs, visited Indonesia. This trip paved the way for the official resumption of diplomatic ties between the two countries. Foreign Minister Alatas' current visit has completed the final process.

The restoration of diplomatic ties between the two countries is the result of long and unrelenting efforts of the governments of both countries. It meets the demand of the times and is an inevitable historical development. This is because the normalization of diplomatic relations between China and Indonesia, two large Asian countries, is not only in the common interests of the two peoples but will also have a far-reaching and positive influence on peace, stability, and development in the region. As Jiang Zemin, general secretary of the CPC Central Committee, said in his meeting with Foreign Minister Alatas: Dark clouds have been dispersed, and a sunny day has arrived.

The restoration of diplomatic relations between China and Indonesia opens a new page in their relations. From now on, the two countries will conduct exchanges and cooperation even more closely. The tremendous success achieved by Foreign Minister Alatas with his visit to China will go down in history.

Indonesian President Arrives in Bangkok

*OW0607102690 Beijing XINHUA in English
0733 GMT 6 Jul 90*

[Text] Bangkok, July 6 (XINHUA)—Indonesian President Suharto arrived here today for a two-day official visit.

Present at the Bangkok Military Airport to receive him were Thai Prime Minister Chatchai Chunhawan, Foreign Minister Sitthi Sawetsila, Chinese Ambassador to Thailand Li Shichun and other Thai officials and foreign diplomats.

During his stay in Bangkok, Suharto will hold a private discussion with Chatchai on Saturday morning, in which the two leaders will exchange views on the latest developments in the international peace process of the political settlement of the Cambodian issue and the present situation inside Cambodia, according to a Thai Foreign Ministry source.

During their meeting, Chatchai is expected to brief Suharto about Thailand's position on the political settlement of the Cambodian conflict and Suharto is expected to brief Chatchai on Sino-Indonesian normalization of diplomatic ties and talks Indonesian Foreign Minister Ali Alatas had with Chinese leaders in Beijing earlier this week about Cambodia, the source said.

This was Suharto's third visit to Thailand and the last one was in March, 1981.

Suharto will leave here for home on Saturday afternoon.

Commentary Cites SRV 'Stratagem' for Cambodia

OW0207043790 Beijing XINHUA Domestic Service
in Chinese 1535 GMT 30 Jun 90

[Commentary by XINHUA reporter Cai Ximei (5591 6932 2734): "Hanoi's Series of Arrows Are Aimed at Shooting Down Two Birds"]

[Text] Beijing, 30 Jun (XINHUA)—After the democratic Cambodian side angrily withdrew from the Tokyo conference in early June, Phnom Penh's Hun Sen still called on it to sign a cease-fire agreement and to take part in "the National Supreme Council." If people have failed to grasp his real intention, they will see a clear picture of Hanoi's intention in the Cambodian question if they carefully read Vietnamese Vice Foreign Minister Trang Quang Co's 21 June interview with a VNA reporter. Hanoi is working out a stratagem to hoodwink the Cambodian resistance forces and the goodwill of the international community.

The first step of Hanoi's stratagem is to quickly bring about an "on-site cease-fire." Vietnam opposes the assembling of the armed forces of all factions in UN-designated areas and the disarming of them or substantial reductions of their size. Moreover, it is opposed to the United Nations dispatching a peacekeeping force to Cambodia. On the other hand, it insists on bringing about an agreement for an "on-site cease-fire." It intends to try and achieve two military objectives through this agreement: To prevent the Cambodian resistance forces from advancing throughout the country and to prevent the Phnom Penh troops, which are mixed with disguised Vietnamese soldiers, from being supervised and

screened at designated places, thereby concealing the fact that Vietnamese troops are still present in Cambodia.

The second step of Hanoi's stratagem is to form the "National Supreme Council" as soon as possible. Since last November, when Australia made a proposal that Cambodia should be administered by the United Nations during the transition period, Vietnam has outwardly indicated that it welcomes this proposal. In fact, as was clearly indicated by Trang Quang Co's interview, Vietnam not only opposes this proposal but also opposes the granting of temporary legislative and administrative power to the Cambodian National Supreme Council, which is to be formed by the four sides. Vietnam insists that the Phnom Penh regime be kept intact and that the function of the national supreme council be restricted to the role of a "coordinating" institution. This is a copy of the program of "establishing a national reconciliation committee within the framework of Phnom Penh," which Hanoi raised many years ago. What is different is that this time Hanoi hypocritically wants the democratic Cambodian side to join the powerless "national supreme council," in order to deprive the Cambodian national government of its legitimate seat in the United Nations and to strengthen the position of the Heng Samrin-Hun Sen clique under its control, thereby maintaining the fait accompli created when Vietnam invaded Cambodia.

The third step of Vietnam's stratagem is to use the dialogue between "two governments" to replace the "four-sides" principle. Four political forces do exist in Cambodia. In the process of solving the Cambodian question politically, it has been the consistent demand of the international community that no one force should be excluded or be allowed to dominate the other forces. This has been agreed to by both Vietnam and the Phnom Penh regime. However, by playing a diplomatic trick, Hanoi turned the June Tokyo conference on peace in Cambodia into a dialogue between "two governments" in an attempt to exclude the democratic Cambodian side from the peace process and to undermine the "five plus four" conference of the five members of the Security Council and the four sides in Cambodia, which is to be held in July.

After Hanoi's stratagem, which is aimed at undermining the peace process in Cambodia, was exposed and rejected by the Cambodian resistance forces and China, Vietnam became angry from shame and asked Trang Quang Co to speak in vindication of its intention. The more it is trying to cover up its intention, the more it is exposed. However, Hanoi's crafty diplomatic tricks can in no way stop the demand of the international community, the people of Cambodia, and Vietnam that the 11-year war be ended as soon as possible. The war will drag on if Vietnam obstinately adheres to a wrong course, and this will isolate it even more internationally.

Anniversary of Diplomatic Relations With Thailand*BK0207102590 Beijing International Service
in Thai 1330 GMT 29 Jun 90*

["Reportage": "Bilateral Relations and Cooperation Between China and Thailand Are Strong and Develop Continuously"]

[Text] Since Thailand and China established diplomatic relations in 1975, political, economic, trade, and cultural relations between the two countries have developed rapidly and completely based on the Five Principles of Peaceful Coexistence. Bilateral relations have reached a stage of smooth functioning.

Over the past 15 years, a firm foundation has been laid for the development of bilateral relations as a result of efforts by the two governments, particularly due to the exchange of visits by their leaders. During this period, the Chinese president, the prime minister, the chairman of the Standing Committee of the National People's Congress, and the chief of staff of the People's Liberation Armed Forces visited Thailand. Among visitors to China from the Thai side have been the Thai crown prince, Princess Maha Chakri Sirinthon, Princess Kanlayani Watthana, Princess Chulaphon, and various Thai prime ministers, presidents of parliament, presidents of the supreme court, and commanders of the Thai Armed Forces. Visits and contacts between the Thai and Chinese private and [word indistinct] sectors have also increased in recent years. Nearly 1,000 Thai and Chinese groups exchange visits annually. Contacts and visits by the governments and people of the two countries are expected to become more frequent, create greater understanding, and further strengthen bilateral relations, thus further advancing friendly relations and cooperation.

China and Thailand are developing countries and are both carrying out their economic development responsibilities. They have their own strengths and weaknesses. The development of economic and trade cooperation based on equality and mutual benefit has enabled each country to counterbalance its weaknesses by the other's strengths, thereby achieving the common goal of prosperity.

In 1976, when Thai-Chinese diplomatic relations were in their nascence, combined trade volume amounted to only tens of millions of dollars. In 1984, this volume increased 20 times to \$460 million. In recent years, as friendly relations between the two countries have continued to develop, contacts between Thai and Chinese businessmen have increased, thus further promoting bilateral trade. The volume of trade between China and Thailand in 1989 exceeded \$1.2 billion.

Economic cooperation between the two countries has expanded in recent years, reaching a stage of joint investment and financial ventures. Some Thai businessmen have built factories in China and reaped fine economic returns. For its part, Chinese firms have established some 60 joint financial ventures in Thailand.

Currently, there are 330 scientific and technological cooperation projects under way between the two countries in such fields as agriculture, forestry, light industry, machinery, and the petrochemical industry.

Economic affairs observers feel that Chinese-Thai economic cooperation has a great future, possessing hidden strength which leaves broad scope for further development.

As a means of promoting neighborly relations between China and Thailand, cultural exchanges have continued on a broad base. There have been frequent reciprocal visits by Chinese and Thai cultural, arts, sports, and social personalities. Chinese art troupes have performed dozens of times in Thailand, while Thai classical and folk art teams have performed several times in China. A Chinese cultural delegation visited Thailand in May to discuss future cultural exchanges and development. A Thai cultural and education delegation visited China recently. This has further advanced cooperation and exchanges in the two countries' arts and cultural fields.

All of these activities prove that Chinese-Thai cooperation—which demonstrates the two countries' respect, understanding, and confidence in one another and is based on the Five Principles of Peaceful Coexistence—not only corresponds to the common interests of each people, but also benefits peace and stability in the region and in the world as a whole.

Shanghai Launches Missile Ship for Thailand*OW0107112390 Shanghai WEN HUI BAO in Chinese
26 Jun 90 p 1*

[By reporter Qian Weihua (6929 4580 5478) and correspondent Zhang Dacheng (1728 1129 2052)]

[Text] A grand ceremony to launch the latest-designed guided missile escort vessel, built and contracted for exportation to Thailand, was held in Shanghai yesterday [25 June].

Equipped with dozens of advanced facilities, including guided missiles, automatic artillery, antisubmarine missiles, electronic combat information system, and modern remote-control telemeters, the unmanned escort vessel was successfully built by Hudong Shipyard in accordance with a design developed by the Chinese Navy. The vessel has reached the international standard.

Among those who attended the launching ceremony were Thai Navy Commander General Praphat Kritsan-achan, China Ship Building Industrial Corporation General Manager Zhang Shou, Vice Mayor Gu Chuanxun, East Sea Fleet Commander Lieutenant General Nie Kuiju, and Navy Deputy Chief of Staff Major General Shi Tianding.

PRC, Thailand To Encourage More Joint Ventures

OW0207063090 Beijing XINHUA in English
0549 GMT 2 Jul 90

[Text] Bangkok, July 2 (XINHUA)—Thailand and China have agreed to encourage their respective corporations to participate in more joint ventures, according to a Government House report.

The agreement was reached at the 5th meeting of the Sino-Thai Joint Commission on Economic Cooperation which was held in Pattaya, eastern Thailand early this year.

The report said possible joint undertakings between the two countries are equity joint ventures, contractual joint ventures, projects rendering technical service and consultations.

Concrete projects for such cooperation would be discussed and finalized by corporations concerned from the two countries, said the report.

It was reported that at the Sino-Thai Joint Commission on Economic Cooperation meeting, the Thai side invited China to participate in joint mining ventures in Thailand. It also sought cooperation from the Chinese authorities and organizations concerned in transferring technology, especially in underground mining.

Guangdong, Laos Sign Cooperation Memorandum

OW0507035290 Beijing XINHUA in English
1522 GMT 4 Jul 90

[Text] Hanoi, July 4 (XINHUA)—China's southern province of Guangdong and the Vientiane Prefecture of Laos have signed an economic co-operation memorandum, the Lao official news agency KPL reported today.

Under the deal, Guangdong Province will send teams of experts to Vientiane to give technical help for the local pottery and paper factories and wood carving industry. Both sides will also co-operate in building up a livestock and crops experiment station.

Sub-Saharan Africa

Chen Muhua Meets With Zimbabwe Official

OW0307043490 Beijing XINHUA in English
1739 GMT 2 Jul 90

[Text] Harare, July 2 (XINHUA)—Acting President Simon Muzenda today received Chen Muhua, visiting vice chairman of the Standing Committee of the Chinese National People's Congress [NPC].

Chen delivered a personal letter from Chinese State President Yang Shangkun to President Robert Mugabe and conveyed the greetings from General Secretary of the Chinese Communist Party Jiang Zemin and Premier Li Peng to the president, who is on a state visit abroad.

During the meeting, Chen warmly appraised the successes achieved by the Zimbabwean Government and people in their struggle for national unity and economic development and the role Zimbabwe played in the settlement of conflict in southern Africa.

Muzenda praised China's assistance to Zimbabwe before and after the country attained its independence.

Chen, who is on a four-nation African tour, arrived here on Saturday for a three-day friendly visit.

Meets With Zimbabwean Speaker

OW0307043690 Beijing XINHUA in English
1749 GMT 2 Jul 90

[Text] Harare, July 2 (XINHUA)—China is currently enjoying stability and economic growth although the country is facing some difficulties, said Chen Muhua, visiting vice-chairman of the Standing Committee of the Chinese National People's Congress [NPC], here today.

Chen, who arrived here on Saturday for a three-day friendly visit to Zimbabwe, made the remarks this morning when she held talks with Zimbabwean Speaker Nolan Makombe.

Briefing Makombe on China's current domestic situation, Chen said China is going ahead with her policy of reforms and opening to the outside world, although those imposing sanctions against China are attempting to shut the door that China has opened.

"Certain forces after the June 4 last year tried to shut the door that China had opened... Those who bring sanctions against China will bring a loss to their own economies," said Chen.

"We are not the only victims of economic sanctions, which already have brought us some difficulties. The countries imposing sanctions will also suffer," she said.

Makombe also briefed Chen on his country's domestic situation.

Jiang Zemin Meets With Chad's President

HK0407123490 Beijing RENMIN RIBAO in Chinese
29 Jun 90 p 1

[Dispatch by reporter He Chongyuan (5440 1504 0337): "Jiang Zemin Meets Chad's President Habre, Speaking on Principles of Developing Relations Between Countries"]

[Text] Beijing, 28 Jun (RENMIN RIBAO)—CPC Central Committee General Secretary Jiang Zemin said today that some people in the world always make irresponsible remarks [shuo san dao si 6141 0005 6670 0934] on other countries' internal affairs in the light of their own values, even violently interfere in others' affairs and want to impose their so-called democracy, freedom, and human rights on others. This is absolutely impossible.

Jiang Zemin made the remarks in a meeting with Chad President Hadj Hissein Habre in Zhongnanhai.

Jiang Zemin said that China stands for developing country-to-country relations on the basis of the Five Principles of Peaceful Coexistence. The most important one of the principles is noninterference in each other's internal affairs.

Jiang Zemin emphasized that a country's social system is determined by that country's people according to the development of its history, and its level of economy and culture; no other countries should interfere.

Jiang Zemin expressed appreciation for the successes achieved by the Republic of Chad under the leadership of President Habre and expressed satisfaction over the smooth development of China-Chad relations.

Habre said that under the present international situation, developing countries are facing a grim situation, so they should all the more strengthen their unity and cooperation to safeguard their unity and independence. He emphasized that South-South cooperation should be strengthened and developing countries should develop themselves by relying on their own strength.

Senior officials of the Chinese and Chad government were present at the meeting.

Jiang Zemin Meets Burkina-Faso Delegation

*OW2906130590 Beijing XINHUA in English
1131 GMT 29 Jun 90*

[Text] Beijing, June 29 (XINHUA)—General Secretary of the Communist Party of China (CPC) Jiang Zemin met here today with a delegation from the Popular Front of Burkina-Faso.

The delegation, led by Major Bongnessan Arsene Ye, organizational secretary of the Executive Committee of the Popular Front, is the party's first high level delegation sent to China since the front was set up in October 1987.

Extending a warm welcome to the delegation, Jiang said he is happy about the healthy development of relations between the two parties and the two countries.

Major Ye conveyed Chairman Blaise Compaore's regards to Jiang and his desire to further develop the relations between the two parties.

Jiang asked Major Ye to convey his and other Chinese leaders' regards to Chairman Compaore.

The delegation arrived in China June 26 at the invitation of the CPC Central Committee.

During its stay in Beijing, the delegation held talks and discussions with the International Liaison Department and the Organization Department of the CPC Central Committee and the party school.

The delegation is scheduled to visit Shanghai June 30 and leave there for home July 3.

PRC To Send Medical Team to Burkina Faso

*OW2906041690 Beijing XINHUA in English
0140 GMT 29 Jun 90*

[Text] Lome, June 28 (XINHUA)—China has agreed to dispatch an 8th medical team to work in the Koudougou Hospital 100 kilometers west of Ouagadougou, according to a report reaching here from Burkina Faso's capital today [29 June].

An agreement was signed in Ouagadougou yesterday by Health Minister Kanidoua Naboho and Chinese Ambassador Wu Jiasen on behalf of their respective countries.

At the signing ceremony naboho expressed thanks to the Chinese teams for their contribution to strengthening the friendly ties between the two peoples. The two officials pledged to further promote cooperation between the two countries.

The dispatch of Chinese medical teams to work in this friendship hospital began in 1976 and up till now the number of Chinese doctors serving in Burkina Faso has reached 136.

Sierra Leone President on PRC Visit

*OW0507022590 Beijing XINHUA in English
0551 GMT 4 Jul 90*

[By Hao Zhangyin]

[Text] Freetown, July 3 (XINHUA)—President Joseph Saidu Momoh of Sierra Leonea highly valued his country's friendship with China and affirmed not to have any official ties with the Taiwan authorities on the eve of his five-day state visit to China.

He is scheduled to visit China beginning July 6 at the head of an 18-member high-level delegation at the invitation of Chinese President Yang Shangkun.

President Momoh told XINHUA in an exclusive interview that he expects his China tour to help enhance bilateral relations between the two countries, which have enjoyed a close relationship since the establishment of their diplomatic relations in 1971.

Momoh said that he was much impressed by the good faith shown by the Chinese people towards the people of Third World countries, especially those in Africa.

"Even in difficult circumstances, they use their limited resources to help us grow and we appreciate them for that," he said.

"I consider the Chinese people a very great friend of Sierra Leone for they give us assistance over many years and in many areas." He said.

Talking about the purpose of his forthcoming visit to China, he said that from his first visit to China in 1986 till now, quite a lot of things have happened in China. "It is a good thing for me to know the new leadership of China and it will also offer them an opportunity to know me," he said.

Through an exchange of views with the Chinese leadership, Momoh said, he hopes the bilateral relations between the two countries will be further enhanced.

He said China is a developing country which has a similar background with the other Third World countries. Therefore, his China visit will offer him a good opportunity to learn how China is winning her progress and what are the experiences the Chinese people have gained in building their country.

Momoh said that he wants to send a most important message to the Chinese people. "There is a tendency in Western countries to force other people to go their ways. This is unfair," he said. "We all have our peculiarities and we should do things in the sort of way which benefits us best and we should not copy from others."

He said that for some time the Taiwanese authorities have been making various overtures to woo Sierra Leone, but the Sierra Leone Government has made it categorically clear that it will not consider to have any official relations with Taiwan at all.

Talking about common problems facing the African countries, he said that the refugee problem is one of the most serious factors that affect Africa's economic development.

He said that since South Africa President de Klerk came into office, there has been much improvement in the political arena of that country. But this is not enough as some political prisoners are still in detention and the state of emergency has not been completely lifted there, he added.

He urged South Africa to abolish the apartheid system and establish a society in which people with different colors of skin may live on an equal basis.

He said that due to the current situation in neighboring Liberia, Sierra Leone is greatly affected by the influx of refugees from that country. He appealed to the world community to help solve the problem.

Ghana Discusses Imposed Democracy With PRC

OW2806212390 Beijing XINHUA in English
1831 GMT 28 Jun 90

[Text] Accra, June 28 (XINHUA)—Ghana is opposed to the imposition of "democracy" on the Third World countries by certain Western countries, a senior leading member of the Ghanaian Government said today [28 June].

Mr. Daniel Annan made the remarks when he met a visiting Chinese judicial delegation headed by Vice Minister of Justice Guo Dezhi here today.

There are different ways for nations to realize democracy, which should be based on their own tradition and culture, Mr. Annan said.

"We agree that each nation can take measures to guarantee their national stability," he added.

During the meeting, Mr. Gu Dezhi said that the friendship between the Chinese and Ghanaian peoples has experienced historical tests and that the Ghanaian people have proved to be the reliable friends of the Chinese people.

The Chinese vice minister held that for any nations realization of democracy must start from their own national conditions.

In the meeting they also exchanged information about legal systems and institutions in their countries.

The five-member Chinese judicial delegation arrived here on June 24. In the past few days, the delegation held discussions with Ghanaian Acting Secretary for Justice Mr. O.G. Tanoh and Chief Justice Mr. N.P. Sowah.

The Chinese delegation will leave the country for Nigeria on June 30.

Madagascar Recognizes 'One China' Only

OW2906015990 Beijing XINHUA in English
0119 GMT 29 Jun 90

[Text] Antananarivo, June 28 (XINHUA)—Madagascar is not to establish diplomatic relations with the Taiwan authorities because the country only recognizes one China, i.e., the People's Republic of China, Malagasy Foreign Minister Jean Bemananjara said here today [29 June].

In meeting with Chen Muhua, vice-president of the Standing Committee of the National People's Congress (NPC) of China and head of the visiting NPC delegation, the minister stressed that although his country needs money to redress its economic difficulties, it will never sell itself out for money but will adhere to its position on one China.

Citing the fact that a number of Chinese missions are currently working on Malagasy soil, Bemananjara pledged that his country will maintain its friendly and cooperative relations with China and further strengthen and develop them.

Meanwhile, Chen expressed satisfaction over the development of Sino-Malagasy relations, which he believed will be further developed and consolidated with each passing day.

The 12-member Chinese NPC delegation, who arrived here Monday for a three-day official visit, left today for Zimbabwe and Mozambique.

Guinea Minister on Chinese Construction Work

*OW3006065990 Beijing XINHUA in English
0535 GMT 30 Jun 90*

[Text] Conakry, June 29 (XINHUA)—Guinean Minister of Urban Development and Housing Bana Sidibe was satisfied with the work done by the International Company of Jiangsu Province, China, in the construction of a government complex.

He expressed his satisfaction after a recent visit to the newly completed office buildings and seven villas at a cost of 2 million U.S. dollars financed by the World Bank and the Guinean Government.

The building will house the Agricultural Ministry in 63 fully furnished units.

PRC Finishes Drinking Water Project in Congo

*OW0507051190 Beijing XINHUA in English
0100 GMT 5 Jul 90*

[Text] Brazzaville, July 4 (XINHUA)—China officially presented the Congo today with a new drinking water pipeline works in Ouessou City, capital of the Congolese Saghia region.

The works has a capacity of 1,550 cubic meters per day and is expected to greatly benefit 13,000 inhabitants in the city, which is considered the country's capital for cocoa, wood and palm oil.

Chinese Ambassador to the Congo Wu Shunyu and Secretary General of the Congolese Foreign Ministry Rigobert J. Ban-Ethai signed the document to hand over the pipeline to the Congo.

West Europe

Li Peng Discusses Ties With FRG Group

*OW0307172590 Beijing XINHUA in English
1508 GMT 3 Jul 90*

[Text] Beijing, July 3 (XINHUA)—Both Chinese Premier Li Peng and the head of a large-sized Federal German economic delegation expressed their desire here today to further expand the two countries' economic and trade cooperation.

In his meeting with a delegation from the German East-West Trade Committee, Li Peng said he hopes his guests' visit will serve as "a favorable turn" in the two countries' economic and trade relations.

Federal Germany is by far China's biggest trade partner in Europe, with their cooperation covering the various sectors of precision machinery, power, iron and steel, and automobiles, Li noted.

He expressed the hope that the existing trade ties between the two countries will be consolidated and expanded.

Li told the visitors that China's political and economic situations are stable, and its leadership is powerful in performing its duties across the country.

Heinrich Weiss, chairman of the China group in the German East-West Trade Committee and head of the committee's 21-member economic delegation, said his committee has always been active in developing cooperation with China.

Opinion polls show that small and medium-sized, as well as big-sized, enterprises in his country share immense interests in cooperation with China, he said. The Chinese premier expressed appreciation for that.

The group, composed mostly of leaders from the country's big companies, represents the largest economic delegation from Federal Germany in the past year, according to the China Council for the Promotion of International Trade, the group's host.

Further on Li Peng Meeting

*OW0507003190 Beijing XINHUA Domestic Service
in Chinese 1519 GMT 3 Jul 90*

[By reporter Yang Zidi (2799 1311 6611)]

[Text] Beijing, 3 Jul (XINHUA)—Li Peng, premier of the State Council, met with an FRG economic delegation of the German East-West Trade Committee at the Ziguang Pavilion in Zhongnanhai this afternoon.

The delegation, led by Heinrich Weiss, chairman of the committee's China group, is visiting Beijing at the invitation of the China Council for the Promotion of International Trade.

Li Peng welcomed the visiting delegation and expressed the hope that its visit would serve as a favorable step toward increased economic exchange and trade between the two countries.

Briefing the guests on China's political and economic situation, Li Peng said: China's political and economic situation is stable. Its central leadership core is staunch and powerful and is effectively performing its duties across the country. Western criteria should not be used in observing Chinese affairs. China has its own national conditions.

He told the guests: "Through your own observations in China, you may draw your own conclusions." He said: China's continuous economic growth will provide a favorable condition for developing its economic and trade relations with other countries in the world, including the FRG. The FRG is China's biggest trading partner in Europe. Our cooperation covers the fields of precision machinery, electric power, iron and steel, and automobiles. China hopes that the existing economic

and trade relations between the two countries will be consolidated and expanded.

Weiss said that the German East-West Trade Committee has always taken a positive attitude toward cooperation with China and that opinion polls indicate that not only are big enterprises but small and medium enterprises as well show great interest in cooperation with China. Premier Li Peng expressed appreciation for this.

The delegation is composed of 21 members, most being responsible persons from big FRG companies. According to the China Council for the Promotion of International Trade, this is the first large economic delegation from that country to visit China in the past year.

NPC's Rong Yiren Meets FRG Visitors

OW0307133190 Beijing XINHUA in English
1037 GMT 3 Jul 90

[Text] Beijing, July 3 (XINHUA)—Rong Yiren, vice-chairman of the Standing Committee of the National People's Congress [NPC] and chairman of the China International Trust and Investment Corporation, met a delegation from Federal Germany's German East-West Trade Committee here this evening.

The delegation, led by Heinrich Weiss, chairman of the China Group of the committee, came to Beijing at the invitation of the China Council for the Promotion of International Trade.

Li Guixian Meets FRG Trade Delegation Members

OW0407142190 Beijing XINHUA in English
0630 GMT 3 Jul 90

[Text] Beijing, July 4 (XINHUA)—State Councillor and Governor of People's Bank of China Li Guixian met a delegation from Federal Germany's German East-West Trade Committee led by Heinrich Weiss, chairman of the committee's China group, here today.

Li briefed the visitors on China's financial situation.

During its stay in Beijing, the delegation exchanged views on further economic and trade cooperation between China and Federal Germany with officials of the State Planning Commission and the Ministry of Foreign Economic Relations and Trade.

FRG Business Leaders on Trade With PRC

HK0407014090 Beijing CHINA DAILY in English
4 Jul 90 p 2

[By staff reporter Yuan Zhou]

[Text] A group of West German business leaders yesterday expressed optimism that Sino-German economic relations would be back on track very soon.

Heinrich Weiss, chairman of the China division of the German East-West Trade Committee, said in Beijing that Hermes export credit insurance was expected to be restored and other trade obstacles removed to rejuvenate Sino-German trade ties.

As one of China's top European trading partners, West Germany would continue to lead business competitors in the country, he said.

"We're going to call on all of our German friends and colleagues to invest in China and engage in other economic co-operation activities," said Weiss, who is to be the chairman of the West German Industrialists' Association next year.

Weiss is heading an 18-member delegation of West German industrialists on a three-day China tour that ends today.

The mission was "the first and most important economic delegation from West Germany since the June 4 event last year," according to Zheng Hongye, chairman of the China Council for the Promotion of International Trade (CCPIT).

The delegation has six chief executives and other representatives from major West German firms.

Zheng said he hoped the delegation's meeting with Chinese leaders, including Premier Li Peng, Chairman Rong Yiren of the China International Trust and Investment Corporation and Governor Li Guixian of the People's Bank of China, would push bilateral economic relations back on track.

CCPIT officials say the visit aims to help solve the political snags in present bilateral relations and discuss economic issues with the Chinese departments.

The German East-West Trade Committee has been opposed to Western economic sanctions against China and is calling for improvement in Sino-West economic ties, the officials say.

According to Chinese customs, China's imports from West Germany dropped by 34.5 percent to a value of \$908.4 million between January and May while Chinese exports went up by 10.5 percent to \$622.57 million against the same period last year.

But Weiss said the drop in imports had been caused by the German side which had frozen Hermes export credit insurance.

He said the German East-West Trade Committee was continuing to promote China-German trade from a "long-term point of view."

He said West German industrialists were still interested in doing business in China and hoped to maintain trade levels. Business between the two used to account for 50 percent of the trade between China and European Community countries.

The reunification of the two Germanys would bring about more trade opportunities with China, he said.

Total trade between China and West Germany reached \$4.98 billion last year, with China exporting goods worth \$1.6 billion and importing goods to the value of \$3.38 billion.

PRC Signs Contract To Build Engines for FRG

OW2906104890 Beijing XINHUA in English
0954 GMT 29 Jun 90

[Text] Beijing, June 29 (XINHUA)—China recently contracted to build two low-speed powerful diesel engines for Federal Germany, the China State Shipbuilding Corporation announced here today [29 June].

This is the first time for China to take up such a contract.

The diesel engines, which will be built by the Shanghai Shipyard and the Dalian Marine Engine Plant, will be 9,650 hp [horsepower] each and are expected to be used in vessels of 20,000 dwt to 30,000 dwt.

Zhu Rongji Meets French Bank President

OW0607081390 Shanghai City Service in Mandarin
2200 GMT 27 Jun 90

[From the "Morning News" program]

[Text] Zhu Rongji and Huang Ju, mayor and vice mayor of Shanghai Municipality, met (Dieulon), president of France's Credit Lyonnais S.A. and his entourage yesterday afternoon.

Credit Lyonnais S.A. is the biggest bank in Europe. It has been involved in the financing of projects such as the Shanghai 300,000-ton ethylene project, subway, and market place.

To support the development of Shanghai's Pudong area, yesterday the bank's President (Dieulon) formally applied for approval from relevant authorities to set up a branch office in Shanghai.

Former French Minister Barre Leaves for PRC

OW0507012390 Beijing XINHUA in English
0038 GMT 5 Jul 90

[Text] Paris, July 4—Former French Prime Minister Raymond Barre left today for a visit to China.

Barre told Chinese Ambassador to France Zhou Jue, who was seeing him off at the airport, that he hopes the friendly and cooperative relations between France and China can be strengthened. This is not only in the interests of both countries, but also is helpful to world peace and stability, he added.

Barre said it will be his great pleasure to meet Chinese leaders and personalities and discuss international situations and issues of common concern with them. Barre first visited China in 1978 while serving as French prime minister.

Besides Beijing, he will make stops in Xian, Guangzhou and Shenzhen.

Li Ruihuan Meets Turkish News Agency Leaders

OW0307121190 Beijing XINHUA in English
1117 GMT 3 Jul 90

[Text] Beijing, July 3 (XINHUA)—Li Ruihuan, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met Aydin Dundar, chairman, and Behic Eksi, director, of Turkey's ANADOLU NEWS AGENCY [as received], and their party here today.

During their cordial conversation, Li answered questions raised by the visitors on the current international situation and the theory of socialism.

Li also spoke highly of the cooperation between the news agencies of China and Turkey. He said he hopes such cooperation will continue to grow so as to further promote friendly relations and cooperation between the two countries.

President of the XINHUA NEWS AGENCY Mu Qing was present at the meeting. Mu hosted a dinner for the Turkish visitors this evening.

Earlier today, vice-president of the host agency Pang Bingan held talks with the visitors on matters concerning cooperation between the two news agencies.

Italian Bank Gives China Export Credit Loans

HK0507050190 Hong Kong HONGKONG STANDARD
(BUSINESS STANDARD) in English 5 Jul 90 p 1

[By Jessie Yim]

[Text] China will get two buying credits amounting to U.S.\$125 million (HK\$975 million) from Credito Italiano.

The development comes after the Italian Government agreed to allow Italian banks to give Beijing subsidised export credits.

The open-line credit facilities for two Chinese banks are the first of their kind, according to Giorgio Martini, chief manager of Credito Italiano in Hong Kong.

He said yesterday that they were among the biggest loans extended by Italian banks to China since the June 4 crackdown last year.

But Mr Martini said the two government-funded loans should not be regarded as a signal that full-fledged lending to China from Italy had been resumed.

Trade-related financing without subsidies had never been stopped, he said.

The two medium-term loan facilities will go to the Bank of Communications—which will receive a credit line of U.S.\$25 million and the Bank of China, which will get U.S.\$100 million.

Both credit lines will carry a rate 8.3 percent above the London Interbank Offered Rate.

The difference between the subsidised rate and the market rate will be paid by Italy's public financial institution, Mediocredito Centrale, to Credito Italiano.

Maturity of the loans will range from seven years to 10 years depending on the type of imports from Italy.

Mr Martini said there would be no limitation on the Chinese importers.

Negotiations for the two credit lines had been resumed in the past few weeks.

There had been some discussions about the facilities before the Beijing crackdown.

After the Tiananmen incidents, all negotiations on subsidised loans from the Italian authorities were frozen.

Mr Martini said all European countries had suspended all subsidised export credits from that point.

The subsidies had not yet been fully resumed.

Mr Martini said he supported a normalisation of credits to China "because it would not be in anyone's interest to isolate" the country.

He said the China market with its population of 1.1 billion was very important.

He predicted that a full resumption of credit lines to China would not be far away after the meeting of the G-7 nations later this month.

The attitudes of the United States and Japan were important, he said. But a good signal was given by the Japanese Government, which had just approved a U.S.\$126 million aircraft export credit to Air China from Mitsubishi Trust and Banking Corp.

The Japanese officials had always expressed their willingness to resume lending to China, he said.

It was commonly believed that the release of Chinese dissident Fang Lizhi from the U.S. Embassy in Beijing could pave the way for the U.S. to lift its ban.

Cyprus, PRC Initial Shipping Agreement

*OW0607000390 Beijing XINHUA in English
2339 GMT 5 Jul 90*

[Text] Nicosia, July 5 (XINHUA)—A shipping agreement was initialled here today between Cyprus and China under which seamen from the two countries will be able to work on each other's ships.

The draft accord was signed by Deputy Director of the Transport Department of the Chinese Ministry of Communications Han Wenqing and Director-General of the Cyprus Ministry of Communications and Works Nicos Symeonides.

Informed sources said the accord will be officially signed when Cypriot President George Vassiliou visits China later next month.

The accord was the result of negotiations between delegations from the two countries which started in China in April and continued in Nicosia this week.

The agreement also provides, among others, for mutual recognition of ship certificates and seafarers' identity documents.

A three-man Chinese delegation led by Han Wenqing left for home today after ending its four-day working visit to Cyprus.

Political & Social

Li Peng Forecast To Step Down 'This October'

HK0607124190 Hong Kong HSIN PAO in Chinese
6 Jul 90 p 7

["Deng Xiaoping Publicly Expresses Change of Horses; The Word Is That Li Peng Will Step Down This October"]

[Text] While General Secretary Jiang Zemin claimed in front of visiting foreign guests that the CPC leadership is "highly united," well-informed sources point out that Jiang Zemin and Li Peng are locked in a fierce political struggle.

This reporter's source said that, based on speeches by high-ranking CPC cadres on the mainland, which he had cross-checked with other sources, his conclusion is that Li Peng's position is insecure. Deng Xiaoping has expressed his intention to "change horses," and that Li Peng will leave the premiership this October.

The source cited a number of instances to back up his conclusion.

One, the XINHUA News Agency made over 10 deletions and corrections in the transcript of Jiang Zemin's interview with ABC reporter Barbara Walters. This can be seen as Li Peng's agency (XINHUA News Agency is under State Council administration) "flexing its muscles" against Jiang Zemin. The State Council also demanded, in the form of a "circular," that media "cool down" propaganda work on Li Ruihuan. But just as Li Peng was growing complacent and glowing with his success, Jiang Zemin dealt him a heavy blow: In his capacity as "Military Commission chairman," Jiang sent plainclothes Army political officers to the large media organs in the capital and virtually placed State Council propaganda organs under martial law. Li Peng and his aides had lost the final say.

Overseas observers thought the CPC was tightening its grip on media when they saw it sending Army political officers into media organs. The truth is Jiang Zemin had seized media control from Li Peng.

Two, Jiang and Li disputed bitterly over the release of Fang Lizhi and after his release there were inquiries into the aftereffects and responsibility. There were reports that Fang Lizhi's departure triggered a tumult within the CPC.

The three actions in Fang Lizhi's trilogy were: Release or not and, if so, when and how.

As it turned out, Jiang Zemin had the upper hand in all three acts. First of all, Jiang favored release, believed that "the sooner the Fang incident is resolved the better," and overruled the "principles" and "stands" put up by Li Peng. When release was due, Li Peng reportedly made all the decisions and took charge of it "personally." No doubt the Public Security Ministry belonged to the

State Council system and Li Peng naturally was the one to supervise. The problem is that during the whole release process Li Peng made so many mistakes that brought disgrace on the nation. Moreover, there was the very controversial release of the so-called Fang Lizhi three-point confession by the Beijing Municipal Public Security Bureau. And so there was a tumult over Fang Lizhi after his departure, and Li Peng took all the blame.

Three, in the second half of June when a certain African leader, during his visit to China, pinned the most-honorable imperial cross medal on Li Peng, the picture shows a radiant Li Peng. But well-informed sources said there was an inside story to the whole event.

According to the story, the friendly African leader meant to decorate the four CPC paramount leaders, Deng, Jiang, Li, and Yang, with the imperial cross medal. But Deng and Jiang politely declined the offer. So that left Li and Yang for the award when the African leader was actually visiting China. Incidentally, Yang Shangkun was just hospitalized for appendicitis and Wang Zhen was to receive the medal on his behalf. And so Li Peng ended up the only one before the camera at the African medal decoration ceremony. This showed that the three most powerful men of the CPC—Deng, Jiang, and Yang—would not want to "share wealth and fortune" with Li Peng. Their attempt to avoid Li Peng was only too obvious.

Four, the CPC Central Committee recently held a four-day symposium of scientists. The 24 participating scientists were among the top in the country. However, coverage of the meeting stressed only Jiang Zemin's decision on a pay raise and Yao Yilin's and Wang Bingqian's support for scientific and technological development. There was not a word about Li Peng. It is said that Jiang Zemin and Li Tieying differed sharply with Li Peng over issues such as the treatment of overseas students and ways to reduce tension between the government and students.

Sources say that Deng Xiaoping recently urged grasping the precious opportunity in Chinese history; and whether we can grasp the opportunity, rests finally with the world's attitude (especially that of the seven big industrial nations) toward China. But even when we have done a good job in putting up a good appearance, by allowing Fang Lizhi to leave the country and releasing pro-democracy activists, can we expect an improved impression of our country if its prime minister has a very bad international image?

Many mainland ministerial-level cadres make a similar judgment, that October will be the month to see a change in the premiership.

One of the grounds is the belief that the CPC has got hold of material on the private overseas business operations of Li Peng's relatives.

Beijing Calls Off Two-Year Reform Effort

HK0607022990 Hong Kong SOUTH CHINA
MORNING POST in English 6 Jul 90 p 10

[By Willy Wo-Lap Lam]

[Text] Beijing has called off its two-year effort to streamline the government structure despite the fact that it faces a serious problem of overstaffing.

At the same time, the government has shelved other goals identified in the reform of the political structure.

In a speech to the National Conference on Government Structural Reforms, the Secretary-General of the State Council, Mr Luo Gan, claimed that structural reform over the past two years to make central government offices more efficient "have achieved obvious results".

"Eight thousand officials and employees from State Council departments had left their administrative positions and been resettled [in other jobs] properly," the Chinese media yesterday quoted Mr Luo as saying.

Mr Luo admitted that the problem of overstaffing and the duplication of government units still existed. However, he said that the process of streamlining central-level units had been "completed," and that the exercise would only be pursued in local-level offices in the future.

Analysts say that many offices have become even more bloated than before because of the re-assertion of central planning in the wake of the Tiananmen Square crack-down in June 1989.

For example, in 1988, the State Economic Commission (SEC), which was in charge of overseeing production was abolished in the interest of promoting efficiency and giving regional and local enterprises greater autonomy.

Since late last year, however, many of the functions of the SEC have been absorbed by the State Planning Commission. And a new unit, the Production Commission, was set up early this year to fill in the gaps created by the abolition of the SEC.

The State Council's efforts to streamline its operation has also been hurt by Beijing's determination to cut down on private enterprise.

"[Ousted party chief] Zhao Ziyang tried to slash the number of state employees by privatising government, mainly letting private business concerns do the work of government-run industrial and commercial units," a Chinese economist said.

"Since the middle of 1989, however, Beijing has placed limits on the private sector and cracked down on companies that have government connections."

Mr Luo said that the aim of the streamlining exercise was to "rid the government of work that should not be part of its official duties or which it could not handle efficiently".

However, China analysts say the Chinese Communist Party (CCP) and Government have shelved the most important goal of political reform—the separation of party and government—which was enshrined by the 13th party congress in 1987.

First proposed by Mr Zhao, the separation of party and government envisaged trimming the powers of the CCP and abolishing party organisations in government units.

Even though the patriarch, Mr Deng Xiaoping, noted last year that "not one word of the 13th Party Congress Resolution should be changed", the goal of whittling down the role of the party has been shelved.

Instead, the powers and jurisdiction of the CCP have been expanded to cover every aspect of Chinese life.

This is in spite of recent reassurances by leaders that Beijing would continue with political reform.

State Council Restructuring Completed

OW0507081090 Beijing XINHUA in English
0726 GMT 5 Jul 90

[Text] Beijing, July 5 (XINHUA)—The restructuring of the State Council has been basically completed after two years of work, the "PEOPLE'S DAILY" reported here today [5 July].

The restructuring was designed to streamline the various offices, improving flexibility and management, according to the paper.

It also reported that a national meeting on the restructuring of government establishments which opened here yesterday was told China will further expand pilot work in restructuring and continue to study and work out a program for the restructuring of local governments.

Sources at the meeting said that though party committees and governments at all levels have made efforts to control the size of establishments, overstaffing remains a problem in many departments, according to the paper.

Yang Shangkun Reportedly 'Critically Ill'

HK0607070190 Hong Kong HSIN PAO in Chinese
6 Jul 90 p 7

[Text] With the problem of the aging of the members of the CPC leadership stratum becoming more and more serious, people abroad are paying more and more attention to the health condition of the CPC leaders in the leadership stratum who are over 80, including Peng Zhen (88), Deng Xiaoping (86), Chen Yun (83), Wang Zhen (82), Li Xiannian (81), Ji Pengfei (80), and others. On 1 July, SANKEI SHIMBUN of Japan reported from Tokyo that "Chen Yun is making a miraculous recovery." As people cast suspicion on the report, on the evening of 4 July our staff reporter learned from well-informed sources that the condition of state President Yang Shangkun had suddenly deteriorated. Members of the highest leadership stratum of the China-funded

organs in Hong Kong also read an internal notice on the critical condition of President Yang.

Yang Shangkun returned to Beijing after visiting some foreign countries last month. On the morning of 27 June, he planned to personally welcome Chadian President Hisssein Habre. However, on the morning of 25 July, he was sent to a hospital because of acute appendicitis. Wang Zhen replaced him to preside over the welcoming ceremony for the African guests.

With regard to Yang Shangkun's condition, the first official report was: "He underwent a minor operation, his condition is fine, and he is recovering." On the afternoon of 28 June, Chadian President Habre went to the hospital to pay Yang a visit. From the pictures published, Yang looked well. However, a few days later, it was reported that Yang Shangkun was critically ill, and the news was spreading in China-funded organs in Hong Kong. Yang Shangkun was born in 1907, a native of Tongnan County in Sichuan province. In the 1920's, he studied at the Sun Yat-sen University in Moscow. Yang Shangkun, who is state president and the first vice chairman of the Central Military Commission, has maintained close relations with Deng Xiaoping since 1956. He has acquired supreme power in the Army.

Li Ruihuan Said Target of 'Veiled Attack'

HK0607023790 Hong Kong HONGKONG STANDARD
in English 6 Jul 90 p 10

[By Wu Zhong]

[Text] A senior party official advocating a more relaxed political environment in China has been the target of a veiled attack in an official newspaper.

The move indicates that the country's leftist ideologues are eager to make a comeback by pushing the campaign against bourgeois liberalism, according to some analysts.

CHINESE CULTURAL NEWS, the official newspaper of the Ministry of Culture, in its June 24 issue called for the tightening of ideological controls in the country.

It devoted two pages to quotations from retired senior leader Deng Xiaoping, the party General-Secretary Jiang Zemin and premier Li Peng, under the striking title: The Party Central's Directions On Ideology.

However, there was not a single word from Li Ruihuan, the member of the Politburo Standing Committee in charge of the country's ideology and propaganda affairs.

Indeed, the article offered some veiled criticism of Mr Li who has recently made conciliatory speeches towards intellectuals.

The paper's editorial in the same issue, entitled "The Whole Party Must Obey The Central", said that some people paid no attention to the directions on ideology laid down by central leaders but were interested in "new spirits".

"Such ideas and moods are very dangerous in that they relax (our) struggles ... and as such provide opportunities for those who are keen to spread bourgeois liberalism and make political conspiracies," it warned.

China analysts have pointed out that recent speeches by Mr Li have carried "new spirits" in that he calls for a more tolerant, relaxed political environment.

Unconfirmed reports said Mr Li once told the leaders of the PEOPLE'S DAILY, the mouth-piece of the party central, to talk less about "class struggle".

Sources in Beijing said Mr Li has also run into conflict with the party's orthodox ideologues who would now use every effort to disgrace him.

Some analysts have said the ideologues looked down on Mr Li because of his early life as a poorly educated carpenter.

They pointed out, however, that the dissenting voice at the newspaper might not be enough to indicate that there was a power struggle, centred on Mr Li, among top leaders. However, they said that differences could be discerned by "reading between the lines".

The CHINESE CULTURAL NEWS is an official paper of a government department and not important within the country, they said.

The report might, however, reflect the concerns held by leaders within the Ministry of Culture—who took their posts after last year's June 4 military crackdown.

Some fear that Chinese writers and artists would take the opportunity of any relaxation of ideological controls to launch a counter-attack on their leftist line, analysts said.

Such a scenario has occurred before. In the past, whenever a campaign against bourgeois liberalism came to an end, Chinese intellectuals always turned to more liberal ideas.

The intellectuals have maintained a passive resistance in the current drive against western influences.

Many have refused to cooperate with the authorities to write articles criticising the so-called liberal ideas. The writers of the few such article that have appeared dared not sign their real names.

The article in the CHINESE CULTURAL NEWS may be intended to serve as a reminder to intellectuals that the current campaign against bourgeois liberalism is far from over and as a warning to them that they should behave themselves.

It was also this paper which carried an article an attack on the disgraced party chief Zhao Ziyang when the rest of the official media has stopped carrying material on the issue.

Such a report cannot be ignored though its significance is still not very clear. It came at a time when the party leadership is striving to maintain the unity of the party and the nation.

Li Ruihuan Writes Inscription for Actress

OW0507234090 Beijing XINHUA in English
1424 GMT 5 Jul 90

[Text] Shanghai, July 5 (XINHUA)—Celebration activities started here today [5 July] to mark the 60-year career of Bai Yang, one of China's four most famous film actresses.

This evening Bai Yang was greeted by some 2,000 people at the Guangming Cinema here, starting a one-week celebration jointly sponsored by art circles in Shanghai and Beijing.

Li Ruihuan, a member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, wrote an inscription for her, "Evergreen in Art". Many public figures from cultural circles sent telegrams and letters of congratulation.

In addition, a film retrospective and a workshop on her performing art are also planned.

Noted Economist Yu Guangyuan Appears in Public

HK0407074290 Hong Kong WEN WEI PO in Chinese
4 Jul 90 p 1

["Dispatch" from Beijing by staff reporter: "Noted Economist Yu Guangyuan Makes Public Appearance Recently"]

[Text] Noted economist Yu Guangyuan, also a member of the Central Advisory Commission, who had not appeared in public for a long time, recently made a visit to Langfang, Hebei Province, to inspect work of insurance for agriculture and natural disasters in some pilot places.

It has been learned that Yu Guangyuan, 74 years old, is in good health but looks a bit old, and that at the beginning of the year he was admitted to a convalescent hospital in Hainan. He has not stopped his research of economic theory and philosophic problems. Aside from making on-the-spot inspection in some provinces, he will gradually participate in more academic activities.

Xu Project Operating Under Strict Scrutiny

HK0607021590 Hong Kong HONGKONG STANDARD
in English 6 Jul 90 p 1

[By Tammy Tam]

[Text] A research centre in Shenzhen founded by former Hong Kong Xinhua chief Xu Jiatun is carrying on business as usual.

The researchers, working on a study on capitalism are, however, said to be under stricter scrutiny from Beijing.

The Contemporary International Economic Research Centre was set up in 1988 under the guidance of Mr Xu.

"It goes on operating as usual and normally," a researcher in the centre, who refused to be named, told THE HONGKONG STANDARD yesterday.

Mr Xu left China for Los Angeles in May and, according to Beijing, is "touring and taking a rest".

According to Shing Yun, a Buddhist Master living in a temple in the foothills above Los Angeles and one of Mr Xu's closest friends, the former politician is conducting "a broad survey and investigation of American society".

The Shenzhen researchers come from different parts of China, and a number of them are believed to have close relations with Mr Xu.

"So far we have had no notice from Beijing that the centre should close," said the researcher.

Recent press reports claim the centre had been ordered to close.

"Our research is going on as usual. The centre is a subsidiary organization of the Hong Kong branch of the XINHUA News Agency. We receive instructions from XINHUA and conduct our research accordingly," the researcher said.

He declined to comment on the effect Mr Xu's unauthorized trip to the U.S. had on the centre.

"Our research is on various fields but concentrated on economic development in different Western countries, including Hong Kong and Macao. And we do not have any instruction from XINHUA that we should change our direction of research."

Mr Xu, who openly praised the merits of capitalism, is believed to have asked Beijing to allow him to settle in Shenzhen as an adviser or director to the centre after leaving his Hong Kong post in February.

He said he wanted to study capitalism to determine the factors that would be beneficial to China's economic reforms.

The rejection of his request was seen as one reason for Mr Xu's sudden departure.

In Hong Kong, a XINHUA official said the study on capitalism would go on despite criticism.

China's door would always open and the country would continue learning good points of the West, he said.

Xu Jiatun Left Foundation for Return

HK0407141190 Hong Kong CHENG MING in Chinese
No. 153, 1 Jul 90 pp 15-17

["Notes on the Northern Journey" by Lo Ping (5012 0393): "Xu Jiatun Is Watching His Chance To Become a Central Official in Beijing"]

[Text] From informed sources, we can see that Xu Jiatun has laid down a foundation for a future return to the country. If he had planned a one-way trip why did he offer the "three no's" guarantee? He is sharp, sly, versed in the power politics of bureaucracy, good at gauging the winds and clouds in the political arena, and skillful at matching his response to the situations. He calculates that there will be a day when he will return safely to the capital...

"Who Is Xu Jiatun?" "Who Is Zhao Fusan?"

"Have you heard of the Xu Jiatun incident?"

"No. Who is Xu Jiatun?"

Ordinary people in Beijing do not know who Xu Jiatun is and so will not know about his flight from the country. However, among high-ranking cadres, the "Xu Jiatun fever" has continued to be a fever over the last month. Recently, the core of the CPC decided to publicize the "Zhao Fusan Incident," and CPC personages have linked Xu Jiatun with Zhao Fusan in their discussions, which of course take the form of private talks.

"Do you know about the Zhao Fusan incident?"

"No. Who is Zhao Fusan?"

Many Beijing people do not know about Zhao Fusan, former deputy director of the Chinese Academy of Social Sciences, and although many political personages and intellectuals had heard of him, they may not have known about the "Zhao Fusan incident." By chance, I met a high-ranking cadre concerned with foreign affairs; by chance we talked about Zhao Fusan; and also by chance about Xu Jiatun's motivation. When these three "chances" were put together, I, "incidentally" and unplanned, wrote this edition of "Notes on the Northern Journey." This high-ranking cadre was a high-level informed source and his analysis of Xu Jiatun's flight, based on his understanding of Xu, was convincing. To make it lively, I reproduce our dialogue as follows (explanations within parentheses are mine):

Xu Jiatun's Flight Is of the Same Pattern as Zhao Fusan's

"There is a saying that the pattern of Xu Jiatun's flight from the country is the same as Zhao Fusan's. What do you think?"

"On the surface there are many differences between Xu's and Zhao's departure. One, before and after his departure, Xu Jiatun never revealed any stand about 4 June, whereas Zhao Fusan attended the 13th UNESCO Executive Council meeting in Paris, which began in late May.

Five days after 4 June, Zhao said in English at the meeting that the 4 June crackdown was a "mistake" and that the "mistake will be corrected." (Zhao graduated from Shanghai's St John's University in 1946 and speaks fluent English) Second, Xu Jiatun has not requested political asylum after arriving in the United States, whereas Zhao Fusan requested and obtained political asylum from the French Government and is now residing in France as a political refugee. Third, Xu Jiatun has not made any public appearance nor met news reporters since he arrived in the United States, whereas Zhao Fusan, after he left his residence in China in mid-June (on the 12th), he accepted an interview with a French reporter in August during which he stated his resentment against the 4 June crackdown (this was spoken in a gentle tone). Thereafter, the French Government arranged a post for him as a professor at the French Senior Academy of Social Sciences (at the Study and Information Center of Contemporary China) with a monthly income of 18,000 Francs. During this period, he lived like a recluse and did not make any public appearance."

"Well-placed sources in Beijing say Zhao Fusan's background is dubious—having something to do with the State Security Ministry. So his case is a little different from Xu Jiatun's. Zhao Fusan wrote to Hong Kong's TA KUNG PAO after 4 June denying such a connection and commending the mouthpiece of the party for "being fair in its criticism." It seems that his case is more complicated than Xu Jiatun's. Do you agree?"

"Yes. Zhao Fusan's case is more complicated than Xu's. The chief cause for Xu's flight from the country was dissatisfaction with Li Peng and similar persons and fear of persecution if he returned to the country."

Xu Jiatun Is Different From the People in the Democratic Movement

"So it is true that Xu Jiatun has something in common with democratic movement people but is different from the pro-democratic camp?"

"Of course, Xu Jiatun does not belong to what people call the pro-democratic camp. The pro-democratic camp demands an end to the CPC's single-party monopoly, multiparty politics, and the adoption of a Western democratic system. That is to say it favors giving up Leninist socialism. Xu Jiatun has never identified himself with these views. Before he went to the United States, he had merely commented that there were many things about capitalism that can serve as reference. He was not "taking the capitalist road" or becoming a pro-democracy person. It is said that overseas pro-democratic elements attempted to contact Xu when they learned of his arrival in the United States, obviously with the expectation that they would net a big fish. But they achieved nothing. They were being very naive. However, I believe Xu did not agree with the 4 June crackdown, but that is another story. To tell you the truth, it is untrue that only a very small number of officials of ministerial

rank sympathize with the democratic movement only they do not express their sympathy. The registration of party membership is coming and on the registration form there will be a request for a declaration of attitude toward the 4 June incident; I believe that all will agree with the approach by the party central authorities. But how many will be doing this sincerely?

Compared With the Stubborn Old Men Xu Can Be Viewed as a Moderate

"So Xu Jiatun can actually be viewed as a moderate?"

"Compared with those stubborn old men, in certain aspects Xu Jiatun is relatively open-minded, so you may say he is a moderate. But, of course, he is a veteran bureaucrat, decades of "party age" have placed a heavy burden on him. He wanted to enjoy special privileges, assign posts only to his cronies and, like Zhao Ziyang, can be rather stubborn, rather undemocratic, you might say. Also there are problems with his lifestyle."

"What kind of problems?"

"I do not know how to put it. At least this is not the time..."

"What was his relationship with Deng Xiaoping?"

"Deng Xiaoping quite trusted him. But later when he failed to use the influence wielded by the XINHUA News Agency Hong Kong Branch to suppress the movement in Hong Kong supporting the pro-democracy movement on the mainland, and the movement against the Beijing government, but on the contrary helped, objectively speaking, foster the movements, Deng gave his approval when Li Peng fumed about removing Xu."

Xu Jiatun Followed Zhao Ziyang's Moves Closely

"Word has it that Xu Jiatun was pretty close to Zhao Ziyang. This is probably true, isn't it?"

"I have heard about it. Before and after 4 June, Xu Jiatun closely followed every move Zhao Ziyang made. When Zhao visited the hunger-striking students, Xu also visited the hunger-striking students outside the XINHUA New Agency Hong Kong Branch; and when Zhao talked to the students in tears, Xu talked to his students in tears. That day in the second half of May, Beijing XINHUA News Agency (headquarters) and Hong Kong Branch simultaneously released the news that Li Peng was on his way out and Zhao Ziyang on his way back. Xu Jiatun certainly believed that there would be great changes in the political situation."

"There is a saying that Xu Jiatun's departure was a move to prevent and avoid persecution; moreover Xu did not think the Li Peng-Yang Shangkun regime was as short-lived as some people thought. The only way left for him was to "travel and rest" in the United States. What do you think about this view?"

"In my view it was not so simple. He did several things before he left of which we should take note. One, he wrote to Deng Xiaoping before he left. Two, he offered the CPC Central Committee Political Bureau, through his wife, the "three no's" guarantee: He would not do anything harmful to the party or the country, make any public statements, or seek political asylum. Three, as promised he did not seek political asylum when he arrived in the United States.

Four, he contacted Chinese Ambassador to the United States Zhu Qizhen to reiterate his determination to fulfill his "three no's" guarantee and said that he would return to the country after travel and rest. Five, he has not contacted anyone in the democratic movement. Six, he has not made any public appearances. Seven, he has not made any public statement or speeches. Eight, he has only contacted those who have connections with Beijing. Although central documents have stated that Xu Jiatun violated the "three no's," in my view he has kept his promise. Judging from these eight points, we can see, first, Xu Jiatun does not want to betray the party; second, he wants to stay in touch with the CPC; and third, he will return to the country in the future..."

If a Zhao Ziyang or a Li Ziyang Returned or Assumed Power...

"So you believe he will return to the country?"

"Of course. Many people say, Xu Jiatun had such a hard time getting out of the country he would never return! But in my view he may return. In fact I think he will return."

"Why?"

"From the several points I mentioned a while ago, Xu Jiatun has in fact laid down a foundation for his return in the future. If he had planned to leave permanently, why the "three no's" guarantee? As a matter of fact, he is still adhering to his "three no's." He is sharp, sly, versed in the power politics of bureaucracy, good at gauging the winds and clouds in the political arena, and skillful at matching his response to the situation. He calculates that there will be a day when he can safely return to the capital..."

"You mean he will return when the current regime has fallen?"

"Exactly. If an open-minded figure such as a Zhao Ziyang or a Li Ziyang reappeared or assumed political power, Xu Jiatun would definitely return to the capital."

"What role would he play then?" He could probably become an official in the central government."

Xu Jiatun's Estimate of the Possibility of Li Peng Being Toppled

"There have been rumors that Xu Jiatun would return to the country within the next two or three years. Does this not imply that Xu Jiatun estimates that Li Peng will fall

in the next two or three years and the open-minded faction will command the situation?"

"Perhaps this is what Xu Jiatun calculates. If Li Peng falls, a large number of people will fall with him. At this time, those who have contradicted or quarreled with Li Peng, sympathized with the student movement, or objected to the 4 June crackdown, and have thus been persecuted by Li Peng and company, will resume their positions or will even be promoted..."

"I agree with your estimate of Xu Jiatun's intention. In fact, in Hong Kong and overseas there are now many many Xu Jiatuns at various ranks reeling under pressure. They curse Li Peng, call for democracy, and all wait for a change in the political situation, when they can return to the country to become an official. But not all of these people have good "political performance." Some of them are political opportunists and politicians. Had Zhao Fusan not been from the State Security Ministry or "turned wrong to right," he would probably have been another Xu Jiatun. Last year, when Zhao Fusan accompanied Hu Qiaomu on a visit to the United States, his speeches were reportedly extremely "left." If people of his kind assumed political power they would make up what Djilas described as the "New Class" and the democratic movement would surely continue. Do you agree?"

What if People Like Xu Jiatun Resumed Their Positions?

"I agree. First there is indeed the Xu Jiatun phenomenon inside and outside the country—many cadres are waiting for the fall of Li Peng. Second, the comeback of persons like Xu Jiatun does not mean democratization. Third the call among the people for democracy has been going on."

"As an 'unhappy' party cadre, what is your future plan?"

"I have retired. Although I strongly objected to the military crackdown and advocated the democratization of China, I am no Xu Jiatun and there is nothing much I can do. I do not want to be stuck in the bureaucracy any more."

"But looking at the bright side, since an open-minded faction is better than a stubborn one, and supposing Xu Jiatun's assessment is correct that before 1997 Li Peng and Li Hou will have fallen, you will agree that Hong Kong's future will be brighter?"

"I hope so. But democratization in China is on a marathon track and will take a long run. Of course, an open-minded faction is better than a stubborn faction. The departure of Xu Jiatun is a blow to the stubborn faction and objectively it exposed the true condition within the party, which is one of struggle and splits. But we cannot expect too much of the open-minded faction, which will only bring disappointment. Do you agree?"

"Of course I agree. But I always hope that Xu Jiatun can transcend himself and do something for the democratization of China."

Vice Premier Wu Xueqian Meets Taiwan Visitors

OW0507022090 Beijing XINHUA in English
1005 GMT 4 Jul 90

[Text] Beijing, July 4 (XINHUA)—Chinese Vice-Premier Wu Xueqian met a group of celebrities from the medical circles in Taiwan led by Min-hwo Hwang here today [4 July].

After extending a warm welcome to the group, Wu said exchanges between the medical and health circles on both sides of the Taiwan Strait should be strengthened and expanded greatly.

He also said he hopes such exchanges will be mutual, namely, people from the mainland will be able to visit Taiwan too.

On investment, Wu said the State Council has issued special regulations on preferential terms for Taiwan compatriots' investment in the mainland, and all localities of the mainland welcome their investment.

Wu said in particular that investment in medical enterprises is welcome.

Song Ping Views Anticorruption Exhibition

OW0507130990 Beijing Television Service in Mandarin
1000 GMT 1 Jul 90

[From the "National Hookup" program]

[Text] The national exhibition of procuratorial departments on punishing corruption and bribery opened exclusively for leaders of the CPC Central Committee and various ministries and commissions yesterday evening [30 June].

Song Ping, Standing Committee member of the Political Bureau of the CPC Central Committee; Liu Huaqing, vice chairman of the Central Military Commission; and other leading comrades, as well as 70 responsible persons of central party organs and state ministries and commissions, viewed the exhibition.

Since it opened on 25 May, the exhibition on punishing corruption and bribery has drawn a large number of visitors. As of now, some 400,000 people have viewed the exhibition. They praised the exhibition, saying it eloquently displays our party's determination and action in opposing corruption and maintaining a clean and honest government. [Video shows Song Ping, Liu Huaqing, and others viewing the exhibition]

Qiao Shi Inspects Jiangsu Province

OW0507104290 Beijing XINHUA Domestic Service
in Chinese 0443 GMT 4 Jul 90

[By reporter Yin Xuecheng (3009 1331 2052)]

[Text] Nanjing, 4 Jul (XINHUA)—During his inspection tour of Jiangsu Province, Qiao Shi, member of the

Standing Committee of the Political Bureau of the CPC Central Committee, emphasized the need to unswervingly uphold the party's basic line, adhere to the reform and open policy, and give full play to the initiative of both the central and local governments. He said that efforts must be made to crack down on crimes, improve public security, strengthen the construction of grass-roots party and government organizations, and to foster close ties with the masses. With that, we will be able to seek development in stability and bring the superiority of the socialist system into full play. Our nation's consolidated strength will improve day by day, and we will then always be in an unbeatable position.

Qiao Shi said that we must uphold unswervingly the party's basic line of "one central task, two basic points" [the central task of economic development and the two basic points of adhering to the four cardinal principles and the implementation of the reform and open policy], and adhere to the reform and open policy. The central government should provide more help and create some necessary conditions for the coastal areas, but the initiative of local governments should also be brought into play. In other words, we must all be self-reliant and wage a hard struggle. It is especially important for people at all levels to solidly work hard together on a few tasks in the 1990's to improve the economy. Qiao Shi said: "In reform and opening to the outside world, we should pay attention to combining subjective activities with scientific attitudes. We actively should take initiatives to take measures conducive to the nation's economic development. At the same time, we should also pay attention to investigation, research, and scientific analysis to ensure practicality and reliability. We must always keep a cool head and should not be overanxious for results." He said that since the implementation of the reform and open policy, Jiangsu's town and village enterprises have developed rapidly. We must pay attention to summing up experiences in the course of improving the economic environment and rectifying economic order and to improve management and guidance. While strengthening state-run economies, we must also improve town and village enterprises so that Jiangsu's economy will maintain its development momentum of the past 10 years.

Qiao Shi said: Since launching the struggle to crack down on crimes earlier this year, party and government leaders and the public security, judicial, and procuratorial departments in various localities have exerted great efforts and scored remarkable achievements, which are conducive to social stability and have won support from the masses. In continuing to combat crimes, it is necessary to carry out the struggle in a planned and systematic manner to deal severe blows to serious crimes, ensure the normal production order and everyday life of the masses, and protect their lives and property. At the same time, it is necessary to earnestly implement other measures for coordinating all quarters of society to improve public order, and summarize and popularize experience in implementing such measures. Qiao Shi pointed out: A

prerequisite for stepping up efforts to coordinate all quarters of society is to intensify the construction of grass-roots party organizations and political organs. Grass-roots party organizations are the links between the party and the masses and the pillar for implementing the party's line, principles, and policies, while grass-roots political organs are the foundation of China's people's democratic dictatorship.

In talks with Jiangsu provincial leaders, Qiao Shi discussed new developments in the international scene, as well as the party's glorious tradition and work style. He said: The mass line is our party's basic line. The need to maintain close links between the party and the masses is dictated by the goal of our party and the nature of our country. We must forge closer ties with the broad masses in not only ideological awareness but also practical work, not only at the present but also for a long time to come. So long as we make protracted and concrete efforts in doing so and refrain from perfunctoriness, our party and socialist motherland surely will prosper.

On 27 June, after he wound up his inspection of Guizhou, Qiao Shi made the trip to Jiangsu on the same evening. The next day, accompanied by Secretary Shen Daren and Deputy Secretary Cao Hongming of the provincial party committee, he began a five-day tour of Lianyungang, Huaiyin, and Nanjing to inspect the harbor zone, factories, and farm households. In Nanjing, Qiao Shi heard work reports by leading comrades of the provincial party committee and the provincial government, and fully affirmed Jiangsu's gratifying achievements in economic construction and work in other areas since the convening of the Third Plenary Session of the 11th CPC Central Committee. He noted that Jiangsu seriously has implemented the central authorities' instructions and decisions over the past year. He expressed the hope that, in the 1990's, Jiangsu will score even greater economic successes based on existing foundations.

During the inspection tour, Qiao Shi showed solicitude for the vital interests of the masses and their problems. On a visit to peasant Zhu Zhuanghua's house in Huangyan Village, Liangpen Town in Lianshui County, he asked the head of the household: "Did you receive money for grain sold this year? Is there any IOU?" "All 400 jin of grain sold were paid for in cash, without an IOU," replied the peasant. Secretary Huang Bing of the Huaiyin City party committee, who was present on the occasion, chimed in: "The city has already procured a total of more than 800 million jin without any IOU." Qiao Shi smiled and nodded approval, saying "Excellent! Excellent!" In the Lianyungang Polyester Fiber Plant's No. 3 Filament Workshop, Qiao Shi asked female worker Wang Xiuqing about whether female workers had to work night shifts, and inquired about their duty hours and safety inside the plant. Inside factory compounds, besides machines, and on rural paths, Qiao Shi often initiated greetings to the masses, smiling and waving at them. They responded to him with applause.

During his inspection of Jiangsu, Qiao Shi also visited Zhou Enlai's former residence, Yuhuatai Martyrs' Tomb, the site of the former Jiangsu-Anhui Border Government, and the Memorial Hall of the Xinan Travel Group.

Zou Jiahua Praises Example of Shigejie Spirit

OW0507090090 Beijing XINHUA Domestic Service in Chinese 1155 GMT 2 Jul 90

[By reporter Cui Liliang (1508 3810 0081)]

[Text] Taiyuan, 2 Jul (XINHUA)—A national meeting of the coal industry on learning from the Shigejie experience was held at the Luan Mining Bureau in Shanxi on 2 July. State Councillor Zou Jiahua pointed out in his speech at the meeting: The Shigejie spirit is a precious wealth of the Chinese working class. The Shigejie road is the road that China's coal industry should take to modernize itself.

On the eve of the meeting, Jiang Zemin, Li Peng, and other party and state leaders wrote inscriptions for the Shigejie coal mine. Comrade Jiang Zemin's inscription reads: "Work hard to run the mine industriously and thriftily, and keep forging ahead to make new contributions." Comrade Li Peng's inscription reads: "Run the mine through thrift and hard work in self-reliance, and attain a higher technological level with technical innovations and scientific management." Comrade Li Xian-nian's inscription reads: "The Shigejie spirit of running enterprises in self-reliance, hard work, and thrift will shine forever!" Comrade Yao Yilin's inscription reads: "Carry forward the Shigejie spirit, and take the road of self-reliance and hard work in running mines." Comrade Song Ping wrote the meeting a congratulatory letter. He pointed out in his letter: "The Shigejie spirit has embodied the fine quality and high degree of sense of responsibility of the Chinese working class for being the masters of their own affairs. At present, to urge the workers and staff members of the coal industry to learn from and carry forward the Shigejie spirit is of great significance to overcoming difficulties accompanying our advance; to attaining the objectives of improving the economic environment, rectifying economic order, and deepening reforms; and to building socialist modern coal mines with Chinese characteristics."

Bo Yibo, Yu Qiuli, Zhang Jingfu, Kang Shien, Zou Jiahua, Kang Keqing, Lu Dong, and Yuan Baohua also wrote inscriptions for the Shigejie coal mine.

Since the founding of New China, the Shigejie miners, with a sense of being the masters of their own affairs, have taken part in building the new socialist coal mine, and have cultivated a fine work style of hard work and thrift. In 1963, the Shigejie coal mine was commended for remaining China's most efficient coal mine with the lowest cost, best quality, and most streamlined organization for many consecutive years. It was selected as a red-banner enterprise of hard work and thrift on China's industrial and communications front. Premier Zhou

Enlai received then mine director Xu Chuanhang and earnestly urged the mine to pass on its style of hard work and thrift from generation to generation.

In the 27 years since then, the Shigejie miners have kept Premier Zhou's words firmly in mind and constantly have carried forward the fine work style. The mine constantly has made new achievements in building both spiritual civilization and material civilization and become one of the first group of China's modern coal mines. In 1989, it was named a second-class enterprise of the coal industry. This year, it received a national "1 May" labor certificate of merit.

Zou Jiahua said in his speech: The Shigejie mine is praiseworthy for its persistence in hard work for several decades in pursuit of modernization. The core of the Shigejie spirit is hard work and thrift. It fully shows that socialist coal miners love the mine as they do their families. It shows their selfless dedication and sense of being the masters of their own affairs. It also shows the firm faith of the Chinese working class in the Communist Party and socialism, as well as the Chinese nation's traditional virtue and spirit of working hard, living a simple and frugal life, and constantly striving to become stronger.

Zou Jiahua pointed out that the experience of the Shigejie coal mine may serve as general guidance not only for all coal mines, but also for all industrial enterprises. He said: After 40 years of construction, we greatly have developed our economy, but we are not yet rich. Therefore, not only people of this generation, but also people of the next generation must work hard. Socialist construction will not succeed without hard work by several generations.

Zou Jiahua said: The Shigejie coal-mine style of "running enterprise through hard work and thrift" is a family heirloom of the coal industry. The coal industry throughout the country should fully take the opportunity of improving the economic environment and rectifying the economic order, carry forward the Shigejie spirit, and consider the interests of the whole to deepen reforms, tap potential, improve the quality and economic efficiency of enterprises, build up the capacity for sustained development, and lay a good foundation to usher in sustained, stable, and coordinated economic development.

Shigejie coal mine director Yuan Wuchang reported on the experience of the mine. His report won one burst of warm applause after another among the conferees.

Minister of Energy Resources Huang Yicheng presided over the meeting. Vice Minister of Energy Resources Hu Fuguo read a "Decision of the CPC Leading Party Group of the Ministry of Energy Resources on Taking a Further Step To Launch a Campaign To Learn From the Shigejie Experience."

Present at the meeting were Wang Shuming, deputy secretary general of the State Council; Shanxi Province

Vice Governor Wu Jie; the leading cadres concerned of the General Office of the CPC Central Committee, the State Council General Office, the All-China Federation of Trade Unions, the State Planning Commission, the Central Organization Department, the Central Propaganda Department, the Shanxi Provincial Party Committee, the Shanxi Provincial Government, the Changzhi City Party Committee, and the Changzhi City Government; and some 300 delegates from China's coal industry.

Li Tieying Attends Academic Degree Meeting

OW0507201890 Beijing XINHUA Domestic Service
in Chinese 1206 GMT 25 Jun 90

[By REMIN RIBAO reporter Zhou Qing (0719 1987) and XINHUA reporter Zhao Wei (6392 5398)]

[Text] Beijing, 25 Jun (XINHUA)—Li Tieying, member of the Political Bureau of the CPC Central Committee and state councillor, said today: At present, China has initially established its own academic degree system and high-level personnel training system. It has been learned that at present China is capable of training master's degree students for the overwhelming majority of disciplines and is gradually achieving the strategic goal of training most senior professionals by itself.

Today, at the opening of the fourth meeting of the discipline evaluation group of the Academic Degree Committee under the State Council, Li Tieying affirmed and congratulated, on behalf of the State Council, the achievements made in training senior professionals in China over the past decade. At this meeting, a total of 600 top-notch specialists and persons of authority in various disciplines from across the nation will examine and approve the specialties for which conferment of doctorates and master's degrees will be authorized, the mentors for doctoral students, and the additional units for conferring doctorates and master's degrees. At the same time, it will also examine and approve a "list of disciplines and specialties for which doctorates and master's degrees will be conferred and postgraduate students will be trained."

From 1981, when China implemented regulations governing academic degrees, to the end of last year, there were 561 institutions of higher learning in the country authorized to confer bachelor's degrees, 545 institutions authorized to confer master's degrees, and 238 institutions authorized to confer doctoral degrees. Disciplines and specialties for which master's degrees and doctorates were conferred numbered 6,407 and 1,830, respectively. Within the same period, China trained more than 4,800 doctoral candidates and more than 147,900 master's degree candidates on its own. Presently, there are nearly 10,000 doctoral students and more than 80,000 master's students. Postgraduate students who have completed their studies have played an important role in various

fields of socialist construction. Many outstanding ones have shown their talents and some have become leaders in new fields of study.

At the opening ceremony, He Dongchang, chairman of the State Council's Academic Degree Committee, said: Postgraduate education is education of the highest level. It should attach primary importance to following a firm and correct political orientation and train talented personnel who are both socialist-minded and professionally competent. It must correctly adhere to the path of integrating with reality, as well as with workers and peasants, and guide students to consciously follow this path. Different and appropriate methods should be adopted to match the characteristics of the subjects of study instead of duplicating the oversimplified and formalistic approaches of the past. He said: We must make every effort to train a contingent of young Marxist theorists and practical workers in various fields of study. In light of the characteristics of the subjects of study, we should thoroughly carry out anti-bourgeois liberalization education and radically reform the influential erroneous theories and viewpoints. To carry out this task, we must unite and rely on the broad masses of teachers. With the exception of those individuals who obstinately adhere to the stand of bourgeois liberalization, even people who have seriously slipped up with regard to theory must be extended comradely assistance and approached through discussion so that criticism, as well as counter-criticism, are used to achieve the objective of distinguishing between right and wrong and uniting all the comrades. If they are not convinced for the moment, we can still wait. As far as academic problems are concerned, we must earnestly and resolutely put into effect the guiding principles of "letting a hundred flowers blossom and a hundred schools of thought contend." This is in line with upholding the four cardinal principles. As regards the young students, we must realize that they are politically and ideologically immature. Therefore, this point deserves special attention in the process of teaching.

Speaking about the guidelines for conducting examination and verification at this meeting, He Dongchang said that the important task is to recruit a group of middle-aged or younger mentors for doctoral candidates. It is reported that the current age structure of mentors for doctoral candidates is quite unreasonable. The number of middle-aged or younger mentors under the age of 55 is too small, accounting for only 13 percent of the total number. He Dongchang pointed out that recruiting middle-aged or younger mentors is of great significance with regard to whether we will have successors to leaders of the various disciplines. He also emphasized that at this meeting examination and verification should be conducted on the existing doctorate and master's degree-conferring units in order to reinforce them. The emphasis of authorization should not be on enlarging the scale and increasing the number of degree-conferring units. He said that through examination and verification, we should further define the academic levels of different institutions of higher learning and the division

of labor among them, expedite the cooperation between scientific research institutions and institutions of higher learning, and readjust the proportions of different disciplines. He indicated that the power to confer degrees should be given as needed, and that the weak links should be strengthened. The main idea is to increase the number of specialties in applied science badly needed by the state. Meanwhile, we must pay adequate attention to consolidating the development of the pure basic disciplines. In examining and verifying master's degree-conferring units, the overall stress will be on the applied sciences, which are more needed by the society. He Dongchang also said that doctorate-conferring units should be spread out throughout the country, whereas master's degree-conferring units should be authorized by giving proper attention to regional features so that all localities can fully exploit their advantages in developing their disciplines.

Zhu Kaixuan, vice chairman of the Academic Degree Committee of the State Council, gave a substantive briefing on reappraising the work of degree conferment at this meeting.

Hu Sheng and Shou Guangzhao, vice chairmen of the Academic Degree Committee of the State Council, attended the opening ceremony.

Education Policy Linked to Economic Growth

*HK0507005090 Beijing CHINA DAILY in English
5 Jul 90 p 2*

[By staff reporter Zhang Lin]

[Text] China's educational departments have been urged to make necessary policy changes to provide the talents needed for the country's economic take-off in the next century, CHINA DAILY learned from the State Education Commission yesterday.

A survey conducted by the State Education Commission recently showed that by the turn of the century, the country would need about 49 million people highly trained in several specialized fields, 12 million of whom would need at least a college education.

The current major tasks of the reform of China's education were to determine the strategic targets and overall programmes for the country's educational development in accordance with the overall requirements of its social and economic development, an official from the State Education Commission said.

"In this way, we can select the optimum blueprint for development into the 21st century so that the input of our efforts and limited resources brings the greatest efficiency and output," the official said.

While vigorously promoting the country's higher education, China's educational departments at various levels should also put high on their agenda improvement in the

quality of labourers and the training of graduates from vocational schools, the official said.

The survey estimated that the country's current educational institutions could turn out about 80 percent of the trained professionals required by the industrial, communications, agricultural and forestry sectors by the end of the century.

The survey conducted by the State Education Commission also foresaw a shortage of trained judicial and financial professionals.

To meet the demand, the country's higher institutions would gradually shift their emphasis from the training of pure science and technology professionals to more students in management, finance and law, according to the official.

30,000 Students Return From Abroad

*OW0507153990 Beijing XINHUA in English
1432 GMT 5 Jul 90*

[Text] Beijing, July 5 (XINHUA)—Over 33,000 Chinese students who had gone abroad for advanced studies had returned to China by the end of 1989, according to Wang Zhongda, an official at the State Education Commission.

"We hope our research achievements abroad will be put into practice in China," said Zhang Hailan, a researcher at the Chinese Academy of Sciences who finished his studies in Britain.

Over 80,000 Chinese students, including 20,000 self-funded students, went to study in 70 countries and regions since 1978.

The government will continue to send talented people abroad, Wang said.

Beijing University To Expand Military Training

*HK0607104790 Hong Kong MING PAO in Chinese
6 Jul 90 p 56*

[“Beijing University Will Establish a Special Leading Group To Consolidate and Expand Results of Military Training”]

[Text] The 1989 entrants of Beijing University who have received one-year military training at the Hebei Shijiazhuang Army School are due to wind up their courses there and go back to school. The university will set up a special leading group to take charge of their education and administration to consolidate and expand the results of military training.

The responsible member of the university is quoted by the Chinese News Agency as saying: The military training for the 1989 entrants has received close attention at home and abroad. Last year people paid attention to the Army School Agency, and the attention will shift to Beijing University in the future. Therefore, to do a

good job of educating the new entrants and consolidate and develop the achievements of military training are a job of great importance.

It is reported that head teachers of the 1989 classes have been appointed. Generally these teachers are politically reliable. On 8 July, these head teachers will go to the Shijiazhuang Army School to gain an intimate understanding of the entrants, join them in summarizing their military training, and come back to school together with them. The university will set up a leading group responsible for the work relating to the 1989 entrants.

The entrants will stay at school for five days before the summer vacation begins. During the five days, the university will hold a party according to the entrants a grand welcome, explain to them school regulations and discipline, hold a forum for teachers, senior students, and entrants, and set up party and league organizations among them.

In addition, 77 percent of graduating students of regular courses and 90 percent of graduating research students have been assigned work this year, and the remainder will also get jobs later.

Statistics show that of 585 graduating research students, 201 will be assigned to work in institutions of higher learning, accounting for 34 percent of the total; 17 percent of them in research institutes; 24 percent in enterprises, companies, publishing houses, and others; and 10 percent, about 64 persons, will report for duty in provinces and cities. The job opportunities for graduating students of regular courses are not as good, but better than expected.

The responsible member of the university said that they had greater difficulty this year in the graduate assignment work, and the above results were hard won. Again the assignment work this year has also set a new task for the university, that is, the university has to readjust the specialized courses and the orientation of discipline, and even modify the names of specialties to meet social demands. It will also have to strengthen ideological and political work among the students and try to improve their quality in an all-round way.

Laboratories Training More Students

OW0607110090 Beijing XINHUA in English
0816 GMT 6 Jul 90

[Text] Beijing, July 6 (XINHUA)—Laboratories at institutions of higher learning across the country are training greater numbers of students under the reform and open policy, the "PEOPLE'S DAILY" reported today [6 July].

China has invested nine billion yuan (about 1.9 billion U.S. dollars) and used 400 million U.S. dollars in World Bank loans to construct and modernize laboratories since 1983.

These laboratories now have staffs totaling 120,000 members with more than 30,000 precision instruments and meters.

According to the paper's overseas edition, most of the laboratories were built to support teaching programs. Between 1986 and 1988, 500 doctoral degree candidates and 2,000 master's degree candidates have used these facilities in their research.

Xi Zhongxun Attends Opening of Lingnan Hotel

SK0607023390 Beijing BEIJING RIBAO in Chinese
9 Jun 90 p 1

[Text] Beijing's Lingnan Hotel, a middle-grade hotel built with investment jointly provided by the Chinese and foreign sides, formally opened on 8 June.

The hotel, built with the investment jointly provided by Guangdong Province, the Guangxin industrial corporation of Hong Kong, and the Sanyang building industrial corporation of Macao, is located in the western suburbs of Beijing beside the canal of water diverted from Miyun reservoir to Beijing. With 302 guest rooms, the hotel occupies an area of 24,000 square meters.

Xi Zhongxun, Ji Pengfei, Ye Xuanping, Ma Wanqi, Kuang Ji, and Zhang Jianmin attended the opening ceremony.

New Regulation Controls Discharge of Pollutants

OW0507082390 Beijing XINHUA in English
0736 GMT 5 Jul 90

[Text] Beijing, July 5 (XINHUA)—A regulation on the control and treatment of pollutants which threaten the seas, promulgated by order by Premier Li Peng, has been approved by the State Council and will go into effect on August 1.

The 37-article regulation stipulates that any units or individuals who discharge pollutants into seas or near seas must report to and get the approval of local environmental protection administrations.

Under the regulation, no noxious, radioactive, liquid or volatile wastes may be stored in the open at designated waste storage sites.

The regulation also bans the discharge of poisonous or harmful liquid waste near seashores by means of improper dilution or permeance.

In addition, the regulation prohibits the discharge of radioactive wastes, oils, acids, alkaline and poisonous liquids, and disease carrying liquid wastes into seas.

Commentator Urges Crackdown on Criminals

HK0507005590 Beijing RENMIN GONGAN BAO
in Chinese 8 Jun 90 p 1

[Commentator's Article: "Stress the Main Points, Work With a Focus and Crack Down Severely"]

[Text] Social order across the country at present is basically stable, this is the mainstream. However, social order still remains grim, with increasing criminal cases and chaotic public order along railways and in some cities and rural areas. Criminals are swollen with arrogance. Felonious criminal activities are jeopardizing state and social security; preventing a smooth implementation of improvement, rectification, deepening of reform and socialist modernization; and seriously endangering people's lives and property. Therefore, there needs to be a stern blow to serious criminal activities. This is required by the situation, the wide mass of people, and the efforts to safeguard and consolidate the political, economic, and social stability of the country.

A stern crackdown on serious criminal activities requires that we grasp the main points and work with a focus; "main points" refers to the perpetrators who seriously endanger the security of the people's lives and property; perpetrators of violent crimes such as explosions, robbing and stealing of guns, and armed robberies; those who rob and steal vast amounts of public and private property, and "brigands" along railways, highways, and waterways; those who damage electricity, water conservancy works, railways, communication facilities, oil fields and production facilities in factories, mines and enterprises; those who abduct and block the stern crackdown drive.

The stern crackdown on serious criminal activities must be guided by party leadership, adhere to the mass line, rely on the masses, and mobilize the power of various social circles to make them play their parts and cooperate fully with each other. So long as the whole party attaches importance to the drive, and with the participation of the whole society and the support of various circles, criminal elements will have nowhere to hide and will be like "hunted rats."

Asian Games Image Brings Changes for Citizens

HK0107041690 Hong Kong SOUTH CHINA SUNDAY
MORNING POST in English 1 July 90 p 12

[By John Kohut]

[Text] The private entrepreneurs hawking trendy summer clothing at Gan Jia Kou near the Beijing Zoo know all about their city's campaign to put on a new face for the Asian Games, China's first attempt to host a major international sports event.

Municipal officials recently declared the peddlers' row of makeshift stalls an eyesore, unbecoming of a city about to step into the limelight of regional—if not world attention.

"So, they told us we all had to leave. They said, 'we gave you your business licences, we can take them away,'" said one man who, until two weeks ago, sold leather belts at the market.

Although officials have promised to build new shops for the peddlers, no compensation is being given for business lost while the structures are going up. Nor have the private businessmen been given clear guarantees they will be allowed to return.

"We have the Asian Games so who cares about being able to eat?" said a young woman who was selling off her inventory at discount prices the day before the market was closed down.

Like the private businessmen at Gan Jia Kou, people throughout the Chinese capital are full of misgivings about the Asian Games. A sense of patriotism tells them they should be throwing their support behind the city's efforts to impress the world.

Yet, they resent the enormous expense on the games—2.5 billion yuan (about HK\$4 billion), which is 500 million yuan over budget—at a time when Chinese citizens have been told to tighten their belts for the sake of the nation's economy.

Eventually though, it is the workers who have to pay for most of the costs. Beijing mayor Mr Chen Xitong had pledged no individuals or work units would be forced to make contributions to the games.

However, Chinese see the worker bonds they must buy as going partly to fund the games, and sources say municipal officials have called on factories to demand "voluntary" contributions.

Even more galling is what many Chinese see as the Government's obsession with appearances—cosmetic changes that do nothing to improve the every day fabric of life.

To impress foreigners with Beijing's standard of living and orderliness, shops have had to repaint their buildings—at their own expense and on the workers' own time.

During the games, ordinary traffic will be limited on a number of main roads so that foreigners do not get caught in traffic jams.

The ragged peasants that normally migrate to Beijing in search of work are now being kept out. Leaflets have been handed out advising citizens not to spit or swear during the games.

And villages have been built to hide the squalor of residential areas.

The most blatant example of all is on the road to the Workers' Stadium, where the Government has recently put up traditional-style Chinese walls painted with fresh coats of grey.

Behind those walls lie brick hovels that have not been repaired since they were built decades ago.

Many ordinary Chinese see such expenditure as waste. "The Government should be building new apartments, not walls," said a worker whose wife and child share a flat with his parents.

"But our national situation does not allow us to build new houses overnight," said Mr Cai Yizhong, vice-director of Beijing's Park Administration, defending the Government's actions.

Planting trees, on the other hand, is a cheap way of improving the city's looks, and Mr Cai's bureau has seen its fortunes rise as Beijing goes green and beautifies itself for the Asian Games.

The city has already planted hundreds of thousands of trees for the games and is now preparing the ground for one million flowers, all of which are scheduled to start blooming in mid-September to welcome the foreigners.

Taxi drivers and private stall and shop-keepers are taking crash courses in basic English so that they can communicate with foreign guests.

But even if they can overcome the language barrier, foreigners may have trouble learning much about the lives of Chinese people.

"We've been told to dress well, not to haggle with customers, and not to talk about politics," one private businessman said.

Family Planning Policy Reaffirmed

OW0507082690 Beijing XINHUA in English
0729 GMT 5 Jul 90

[Text] Beijing, July 5 (XINHUA)—China has reaffirmed that it will persist in the basic policy of family planning on the occasion of the tenth anniversary of the publication and implementation of an open letter on the control of national population growth sent to all members of the Communist Party of China (CPC) and the Chinese Communist Youth League (CCYL), according to the "PEOPLE'S DAILY."

The leading national newspaper, in an editorial marking the occasion, said the open letter is still an important document for all party and youth league members in carrying out the policy of "one family, one child."

The commentary noted that the population of China has reached 1.12 billion and the country is facing its third baby boom with the population already increasing by about 15 million people each year.

Controlling population growth and achieving coordinated development of the population, economy and society are very important for China's socialist modernization program, the commentary pointed out.

The editorial urged all party and youth league members, especially those in the countryside, to take the lead in family planning and subordinate their personal interests to the interests of the state.

Grassroots party organizations, especially those in rural areas, should pay attention to the work and educate the people to carry out the family planning policy, the editorial noted.

Commentator on 'Spirit of Arduous Struggle'

HK0607031590 Beijing RENMIN RIBAO in Chinese
3 Jul 90 p 1

[Commentator's article: "Make Great Efforts To Carry Forward the Spirit of Arduous Struggle"]

[Text] Shigejie Coal Mine was one of five red flags on the national industrial and transport front in the 1960's. It was famous for its style of diligence and frugality in its operation and was praised by Premier Zhou Enlai. On 8 November 1963, RENMIN RIBAO published an editorial entitled "The Spirit of Arduous Struggle in Shigejie Mine." Now, 27 years later, this red flag's color has not faded but has become more resplendent. Shigejie's experience once again tells us that the development of modern large enterprises cannot do without the spirit of arduous struggle.

Recently, central leading comrades highly valued the achievements of Shigejie Mine. General Secretary Jiang Zemin encouraged the mine to make further advances and score new achievements through arduous struggle and running the mine in the style of diligence and frugality. This was not only a requirement for the national coal front, but also a requirement for all the workers in the whole country.

Arduous struggle is the distinctive characteristic of Chinese communists, the fine tradition of the working class, and the virtue of the Chinese nation. Under the guidance of Marxist theory, the party relied on the working class and the broad masses of people and succeeded in overthrowing the old world and building New China through arduous struggle. In the 40 years since the founding of the people's republic, we have continued to carry forward the spirit of arduous struggle and succeeded in building socialism on a very backward economic and cultural foundation and in scoring achievements that have attracted worldwide attention.

Since reform and opening began, we have entered a new historical period of building socialism with Chinese characteristics. Under the new situation, is the old tradition of arduous struggle out of date? No. The spirit of arduous struggle is our precious spiritual wealth, and it must not be discarded at any time. At present, our

country's foundation is still not strong enough, and there remains a substantial gap between our economic strength and that of the developed countries. To carry out the modernization program under such conditions, it is more necessary for us to carry forward the spirit of arduous struggle. On the eve of the founding of the PRC, Comrade Mao Zedong exhorted the whole party to maintain the work style of arduous struggle. Last year, Comrade Deng Xiaoping pointed out: Arduous struggle is our tradition, and education in arduous struggle must be effectively conducted henceforth and should be continued for the next 60 to 70 years. The more developed our country is, the more important it is to carry forward the spirit of doing pioneering work through arduous struggle. These good instructions should always be borne in mind. For the motherland's bright and brilliant tomorrow, we should carry on arduous struggle from generation to generation.

Of course, arduous struggle does not mean that we should not spend any money. Neither should arduous struggle be equated with backward modes of production. Without a certain input, it is impossible to achieve a corresponding output. By advocating the spirit of arduous struggle, we mean that we should, like Shigejie Coal Mine, constantly act according to our capacity; oppose waste and extravagance; strive to increase output with less input; accomplish more with less expenditure; and produce more coal with the employment of fewer people so as to continuously raise labor productivity and economic efficiency.

Arduous struggle does not refer merely to people's willingness to break their backs in doing physical work, but also to assiduous study and innovation in mental work. In a certain sense, it is more necessary to carry forward the spirit of arduous struggle to have a good command of modern management skills and technology. We must emphatically advocate an assiduous attitude in studying technology and management skills, absorbing cultural knowledge, and raising the scientific and cultural attainments of the whole nation.

Arduous struggle serves the purpose of developing more quickly social productive forces and continuously satisfying the people's growing needs in their material and cultural lives. Leaders at various levels should prevent one-sidedness in their thinking and practical work. When calling on the people to carry forward the spirit of arduous struggle, they should show more concern for the well-being of the masses and make greater efforts to help the masses overcome their difficulties.

The work style of Shigejie Mine was cultivated by the leading cadres, who played an exemplary role, and was passed down to workers of the older generation. When asking the masses to work hard, Communist Party members and cadres should first do so themselves. Many ordinary people say: We are not afraid of hard work but only fear that leading cadres are not honest and do not work hard and practice thrift. Our party leading cadres should give deep thought to this opinion of the masses.

Leaders on various fronts should learn from cadres and workers in Shigejie Mine, carry forward the spirit of arduous struggle, seriously implement the spirit of the Sixth Plenary Session of the 13th CPC Central Committee, maintain closer flesh-and-blood ties between the party and the masses, consolidate the unity between cadres and the masses, make joint efforts with one heart and one mind, and make new contributions to the great cause of modernization.

Call for Revitalization of Yanan Spirit

HK0607024590 Beijing RENMIN RIBAO in Chinese
29 Jun 90 p 3

["Excerpts" of speech delivered by Ma Wenrui (7456 3306 3843) at 18 May inaugural meeting of China Society for Study of the Yanan Spirit: "Revitalize the Yanan Spirit, Carry Forward the National Righteousness"]

[Text] At a time when China's political and ideological fronts had taken a new turn for the better, the founding of the China Society for Study of the Yanan Spirit was formally declared.

During the War of Resistance Against Japan and the Liberation War, Yanan was viewed by many as a "sacred place" of the revolution. People throughout the nation who desired national liberation and social progress pinned their hopes on Yanan. Progressive youths from all parts of the country hurried to Yanan one after another. Yanan's material conditions at that time were very poor. People lived in caves and ate millet. Why did it have such a great appeal? Why were the badly off people there high-spirited and vigorous and full of energy? This was in part because the party Central Committee, headed by Comrade Mao Zedong, was situated in Yanan, and in part because Yanan embodied the revolutionary spirit of the Chinese people in a concentrated way.

The Yanan spirit was forged by the Chinese communists and the Chinese people during the protracted struggle of the new democratic revolution. What are the elements of the Yanan spirit? They can be roughly cited as follows: Cherishing lofty ideals and doing work in a down-to-earth manner; fearing no difficulties and hardships, not bowing to any powerful enemy, and daring to overcome all difficulties and defeat all enemies; sharing comforts and hardships and uniting as one with all members of the revolutionary ranks; and being so devoted to public service as to forget one's own interests and sacrificing personal or short-term interests for the interests of the nation and the general public and long-term interests.

The Yanan spirit has not only inherited but also greatly developed the fine traditions of the Chinese nation because it takes contemporary scientific theory on national liberation and people's liberation as a guide. This scientific theory is Mao Zedong Thought, which combined the universal tenets of Marxism-Leninism

with the concrete realities of China, and the theory with which we are struggling to achieve the ultimate goal of socialism and communism in China step by step. Through conducting a rectification movement among its members, the CPC taught them to adhere to the ideological line of seeking truth from facts, maintain close ties with the masses of people, serve the people wholeheartedly, and be boundlessly loyal to the current revolutionary cause of the people and the great ideal of communism. Therefore, the communists could bring along the entire people in creating and carrying forward the Yanan spirit. The victory of the new democratic revolution was the victory of the Yanan spirit and so was the victory of the socialist revolution in the 1950's.

We have now entered the stage of socialist construction. Will we still need the Yanan spirit that was created during the new democratic revolution? When inspecting the old revolutionary base area in northern Shaanxi, General Secretary Jiang Zemin pointed out: "The Yanan spirit of self-reliance and plain living and hard struggle has not yet become obsolete. In the years of the War of Resistance Against Japan and the Liberation War, it was necessary to display the Yanan spirit, and during the initial stage of socialism we cannot deviate from it. Otherwise, it will be difficult for us to build socialism."

The party's central leading pioneers of the first and second generations and its leaders of the third generation all stressed the need to inherit and carry forward the Yanan spirit. Their related speeches pointed out the principles and tasks of the society's work in the days to come. We will follow the spirit of the speeches of Comrades Mao Zedong, Deng Xiaoping, and Jiang Zemin on inheriting and carrying forward the Yanan spirit as the guiding ideology for running our society well.

In the current international and domestic situation, it is extremely necessary to spread the Yanan spirit among all Communist Party members, the broad masses of people, and the vast numbers of youths and constantly expand new forces on the political, ideological, and cultural fronts that have a lofty revolutionary style and the ability to inherit revolutionary traditions. If we persist in so doing, this will have a far-reaching impact on carrying forward the revolutionary spirit of working hard for the prosperity of the country and of plain living and hard struggle, accelerating our country's socialist modernization, and holding high the banner of socialism and communism forever in the international communist movement.

CAPD Supports Jiang United Front Work Speech

OW0507135890 Beijing Domestic Service in Mandarin
0930 GMT 5 Jul 90

[From the "National Hookup" program]

[Text] The Eighth Central Committee of the China Association for Promoting Democracy [CAPD] ended its sixth enlarged standing committee meeting in Beijing

this afternoon. A resolution of the enlarged standing committee meeting of the CAPD Central Committee was adopted at today's session.

The resolution says: The national conference on united front work was a meeting of unprecedented importance in the history of united front work. It provided guidance for united front work and will have a far-reaching impact on this work.

The resolution expresses support for General Secretary Jiang Zemin's speech at the national conference on united front work and his speech on the Taiwan issue. It proposes that the CPC and the Kuomintang hold talks on an equal footing. It says the CAPD is willing to have contact with relevant political parties, organizations, and persons in Taiwan, promote the "three exchanges" [exchanges of mail, air and shipping services, and trade], expand bilateral exchanges between the two sides of the Taiwan Strait, and work for the peaceful reunification of the motherland.

The meeting also approved the decision of the CAPD Central Committee on organizational building.

The meeting decided to hold the Third Plenary Session of the Eighth Central Committee of the CAPD in Beijing in December 1990.

Zhao Puchu, CAPD Central Committee vice chairman, gave a closing speech.

Central Committee Focuses on Party Building

HK0507140690 Beijing RENMIN RIBAO in Chinese
29 June 90 p 1

[Report supplied by Beijing's ZHIBU SHENGHUO (Life At Party Branches): "CPC Central Committee Concentrates on Grasping Party Building"]

[Text] Over the last year, the new party Central Committee leadership collective with General Secretary Jiang Zemin as the core has concentrated on party building in response to the wishes of the party and people, and with planned steps has done a vast amount of work. A major climate of grasping party building has been formed in the whole party, and the party's political, ideological, and organizational construction is being strengthened step by step.

Last July, barely a month after the new party Central Committee leadership collective was established, a national meeting of propaganda ministries was called at which a CPC Central Committee circular was issued about strengthening propaganda and ideological work. To carry out the spirit of the Fourth Plenary Session of the 13th Central Committee, on 28 July a CPC Central Committee and State Council decision about doing several things of concern to the masses in recent periods was made and examined and has been put into effect in a serious fashion. In August, a national meeting of the organization department heads was convened; afterward

the Central Committee issued a circular about strengthening party building. In September, a national rally recommending advanced grass-roots units and excellent party affair workers was called. On 26 September, Jiang Zemin, Song Ping, Li Ruihuan, and others attended a national seminar of enterprises' ideological and political work-study groups at which they pointed out that we should wholeheartedly rely on the working class. Toward the end of December, the Central Committee entrusted the Central Party School and Propaganda Department, the Organization Department, and the Central Policy Research Center with the job of jointly holding a theoretical study group on party building, which discussed at length the way to build the party into a stronger advanced force for the working class. Meanwhile, the Central Committee successively issued circulars stating its opinion on adhering and perfecting multiparty cooperation under the CPC leadership and political consultation; and on strengthening and improving party leadership over trade unions, Communist Youth League and All-China Women's Federation. To restore and develop the party's excellent mass-line tradition, this February the Central Committee issued a circular on organizing and dispatching party and government cadres to grass roots. The Sixth Plenary Session of the 13th Central Committee called in March made the decision of strengthening the party's tie with the people. In June, the Central Committee called the national united work conference at which Comrade Jiang Zemin made an important speech. It can be said that in the past year the party Central Committee leadership collective has been working very efficiently and effectively on the matter of party building.

There are a thousand loose ends in party-building work. But the party Central Committee leadership collective has taken ideological construction as the first task and advocated the missions for current ideological and political work, which are highlighting and deepening education in the four cardinal principles and opposing bourgeois liberalization, conducting education throughout the party in Marxism-Leninism and basic theories of Mao Zedong Thought, especially education in Marxist philosophy and the party's basic line and basic knowledge about the party. The Central Committee also issued a special circular on building and improving a study system for incumbent provincial and ministerial leading cadres. The Central Committee Propaganda Department also issued a circular about strengthening theoretical study among cadres of high and middle ranks. Leading central comrades have taken the lead: Members of the Political Bureau and Secretariat have insisted on one to two monthly study sessions of philosophy, and personally have taken charge of the party-wide theoretical study drive.

The problem of party style is one of great concern to the masses. The leadership collective of the party Central Committee attaches great importance to the construction of party style. Last year, when the quelling of the counterrevolutionary rebellion was barely completed, it

promptly put forward the tasks of correcting party style, punishing corruption, and really doing several things people are generally concerned about; and stressed that whatever was required of leading cadres should first start with leading comrades at the party Central Committee and State Council. Members of the Central Committee Political Bureau and Secretariat have all been highly disciplined and have forbidden their relatives or children from engaging in sales activities in circulation realms.

Over the last year, the Central Commission for Discipline Inspection has called three plenary sessions to seriously grasp party building. The party Central Committee has resolutely supported serious investigation and dealing with big cases in which the masses are interested, especially those involving high-ranking leading cadres. The Central Advisory Commission, together with concerned departments and local authorities, has conducted serious investigation into the 40 or so provincial-ranking cadres the masses complained about, and has, based on facts, dealt with eight high-ranking cadres proven to have problems. For example, the well-known cases of Hainan Provincial Governor Liang Xiang, Vice Minister of Railways Luo Yunguang, and vice chairman of Xinjiang Uygur Autonomous Regional People's Government, Thti, and so on.

One hand grasps anti-corruption and the construction of an efficient and clean government, and the other restores and develops the flesh-and-blood ties between the party and the people. The party Central Committee strongly senses that these two tasks have a direct bearing on the rise and fall and the prosperity and decline of the party and the state. Therefore, the new leadership collective of the party Central Committee has taken the lead in going deep among grass roots to research and investigate and listen to the voice of the masses. Political Bureau Standing Committee members often visit factories, rural areas, schools, shops, and mines to come into contact with local leaderships and masses, and thus provide leadership for the whole party in strengthening ties between the party and the masses.

Across the country, a large number of party and government cadres at various ranks have gone deep among grass roots, areas with many problems and those of with the toughest conditions to provide good and practical service for the people.

China's reform and construction require the CPC leadership. The leadership collective of the party Central Committee has taken as a top task for boosting party building and an important mission for political structural reform, the strengthening of a sense for administration and the improvement in administrative skill and style. Since last year, the party Central Committee has concentrated specifically on strengthening and improving party leadership over trade unions, the Communist Youth League, and the All-China Women's Federation, clarified again the CPC-led multiparty cooperation and political coordination and consultation, which

is the basic political system with Chinese characteristics, and formulated the form of cooperation and consultation.

The new leadership collective of the party Central Committee has since last year scored outstanding results in party building, and this has considerably heightened its authority among the people of different races throughout the country, strengthened and improved party leadership over various realms, drawn closer the flesh-blood ties between the party and the people, and promoted the healthy development of various undertakings of reform and construction.

NPC Committee Meeting Holds Plenary Sessions

OW0507121890 Beijing XINHUA Domestic Service
in Chinese 1143 GMT 28 Jun 90

[Text] Beijing, 28 Jun (XINHUA)—The 14th meeting of the Seventh National People's Congress [NPC] Standing Committee held two successive plenary sessions yesterday afternoon [27 June] and this morning [28 June]. More than 10 members took the floor to air views on relevant topics being deliberated at the meeting.

Chairman Wan Li was present at the sessions, which were chaired by Vice Chairmen Lei Jieqiong and Ye Fei, respectively.

An Important Law for Protecting the Rights and Interests of Returned Overseas Chinese and Relatives of Chinese Nationals Living Abroad

Member Yi Meihou said: After four years of discussions, the draft law for protecting the rights and interests of returned Overseas Chinese and relatives of Chinese nationals living abroad is finally on the agenda for deliberation by the NPC Standing Committee. The draft law, which is based on views solicited extensively from various local governments and departments, returned Overseas Chinese, and relatives of Overseas Chinese in China, has been studied, verified, and revised repeatedly by cadres in charge of Overseas Chinese affairs and by legal experts and scholars. This is an important matter, long awaited by the large numbers of Chinese nationals abroad, returned Overseas Chinese, and relatives of Chinese nationals overseas. The significance of the law lies in that, first, it is in keeping with the demands of national conditions and the situation in Overseas Chinese affairs and that it is a major feature in construction of the socialist legal system in China. The law's protection of legal rights and interests of returned Overseas Chinese and relatives of Chinese nationals abroad conforms to the reality and reflects the government's stand of protecting and cherishing returned Overseas Chinese, relatives of Chinese nationals abroad, and Chinese living overseas. Second, the law is of great importance for persisting in China's reform and opening up and can play a positive role in uniting the vast number of Overseas Chinese to frustrate conspiracies of certain anti-Chinese forces abroad. Third, the law can help carry out China's socialist modernization, expand productive forces, boost

the urban and rural economy, and accelerate the improvement of the people's livelihood in the hometown areas of Overseas Chinese and the country as a whole.

The Tobacco Monopoly Draft Law Should Be Revised Further

Li Guiying said in her speech that it is necessary to formulate a tobacco monopoly law to strengthen supervision over the tobacco monopoly, ensure normal production and circulation, protect consumer interests, and guarantee financial revenues for the state. She suggested that in formulating the tobacco monopoly law, it is necessary to, first, proceed from reality in China's tobacco consumption and production in correctly handling the relationship between restrictions and growth. Second, the law of regional autonomy for minority nationalities is one of the basic laws of the state. Therefore, in formulating the tobacco monopoly law, it is necessary to consider fully the autonomy of regions of minority nationalities and proceed from the overall interests of unity, stability, and economic development of the autonomous regions in protecting the development of the local tobacco industry. Third, it is necessary to handle correctly the relations of interests between the central and local governments, enterprises, and tobacco farmers. Fourth, it is necessary to uphold the operational mechanism of a socialist commodity economy in combining a planned economy with market regulation. Fifth, it is necessary to strictly enforce separation of the government from enterprises in tobacco management and marketing.

Successfully Carry Out Economic Improvement and Rectification, Continue To Deepen Reform

Members Yang Jike, Li Jianbai, Xu Yunbei, and Zhang Ruiying stated their opinions and suggestions on relevant issues in economic construction.

Member Xu Yunbei said: Under the leadership of the CPC and the people's government, the Chinese people of all nationalities have upheld the four cardinal principles, persisted in reform and opening up, and worked hard and in unity over the past year, winning the great victory in stopping turmoil and quelling the counterrevolutionary rebellion, as well as scoring fairly good results in economic improvement, rectification, and financial revenues. The biggest economic problem at present is reflected in the poor economic efficiency of state enterprises. To improve the efficiency of enterprises, it is essential to reform the economic mechanism of every enterprise eating from the same big pot, follow the economic law on developing a socialist planned commodity economy, and act according to economic principles. To break away from the beaten path requiring more input for less output and pursuing a high growth rate regardless of poor efficiency, state enterprises should conduct normal production on an expanded scale so that they can produce more and better wealth for socialist construction. It is suggested that the State Council designate relevant departments to formulate immediately a

concrete plan for deepening the reform of enterprises and raising their economic efficiency.

Member Zhang Ruiying said: To improve further the work centering on enterprises that have suspended operations or that are waiting work resumption, I suggest the following: First, we should continue to regard solving problems of these enterprises as a major task that affects social stability. We must not lower our guard and slacken our vigilance, and should not leave problems half solved. Second, we should carry out further the guiding principle of conscientiously enlisting the help of the working class, and motivate the vast numbers of workers and the masses to overcome difficulties and develop the economy. Third, we should attach importance to building leading bodies of enterprises that have stopped operations, and further improve the contract responsibility system in enterprise management. Fourth, we should ensure that people out of work are not short of basic needs for their daily lives. Fifth, we should provide greater general assistance to help create better conditions for enterprise mergers. Sixth, all localities should learn to understand that the whole country is a single entity. They should take the overall situation into consideration in readjusting the structure of production industry, and should develop industries and products that best meet market demands. In addition, they should export competitive products and import products in short supply.

In his speech, Member Yang Jike pointed out: To carry out the central authorities' principle and policy of improving the economic environment, rectifying economic order, and deepening reform, and to ensure that the national economy will continue to develop in a steady and coordinated way, I suggest that the State Planning Commission conduct a scientific and democratic study of the macroeconomic conditions for China's steel industry's development in the future. By macroeconomic, I mean organize essential productive forces by concerned departments and localities through optimizing the use of space, time, and materials to meet the theories of steel industry-related economics of distribution, economics of timing, economics of scale, and economics in coordinating the efforts of departments and localities concerned, and to enable our steel industry to fully demonstrate the superiority of a socialist planned economy and to achieve the highest possible economic results and social benefits.

Improve the Sluggish Market, and Enliven the Circulation Sphere

In his speech, member Li Chonghuai offered his suggestions on improving the current sluggish market. He said: First, we should appropriately readjust savings measures. Second, we should do our best to procure agricultural and sideline products, increase agricultural investment, stimulate effective demands in rural areas, and increase sales of industrial products in rural areas. Third, in addition to ensuring the success of major investment projects that affect the national economy and the people's livelihood, and to implementing the policy of giving

guarantees to some enterprises and limiting some enterprises from producing certain kinds of products [the policy of guaranteeing and limiting], we should invest more in upgrading enterprises' production technology. Fourth, in making fixed-asset investments and in granting loans to enterprises, we should implement the policy of guaranteeing and limiting and the policy of increasing revenues and trimming expenditures. We strictly should prohibit investments in building office buildings, auditoriums, and guesthouses. As long as we can ensure good economic results and social benefits, we reasonably should readjust the structure of the production industry and the makeup of products. We effectively should increase effective supply. Fifth, we should take all kinds of measures to enliven the market. Sixth, in a situation of sluggish sales, we should not invest heavily in enterprises and marketing units with poor sales records. Seventh, we should not pursue blindly high industrial growth. Eighth, we should get rid of regionalism. Ninth, we should urge enterprises to make the most of their potential, deepen reforms, improve management, stop spending excessively, improve enterprise quality, and rely less on government subsidies. Tenth, industrial and commercial departments of the government should tighten control over product quality and strive to weed out fake and shoddy products. Eleventh, we should strengthen macroeconomic regulation and control, and increase exchange of information on supply, production, and marketing. Twelfth, we should encourage exporting while urging people to use home-made products.

In his speech, member Chen Suiheng said: Currently, regional protectionism seriously has hampered further implementing the economic improvement and rectification program. We must attach great importance to this problem and seek solutions. He suggested the following: First, we should promote education in this subject; enhance people's understanding of the importance of the circulation of commodities; and educate cadres at all levels to understand the detrimental results of regional protectionism, to have a better understanding of the interests of the whole, and to self-consciously fight regional protectionism. Second, the State Council should issue an order to prohibit localities from blocking commodities from other localities, and take various administrative measures to foil attempts to stop commodity circulation. Responsible officials of localities that block commodities from other places should be given appropriate education. Those who refuse to correct their mistakes should be investigated for their administrative liability. All government orders must be carried out strictly. Third, for those localities whose difficulties cannot be solved in the foreseeable future despite their repeated efforts, the State Council should adopt special policies toward them and help them tide over the difficult period. Fourth, a temporary but authoritative coordinating organ should be set up to coordinate and handle problems concerning regional protectionism, and to improve macromanagement of commodity circulation.

The Problem of Juvenile Delinquency Should Not Be Overlooked.

Member Yang Lieyu said: Since the campaign of cracking down on criminal activities was launched across the nation, social order has improved markedly. However, the percentage of juvenile criminals in the total number of criminals has been on the increase. Many young people have used adult means to commit crimes, and the average age of criminals has lowered. Juvenile delinquency has become a serious social problem. To solve this problem, I suggest the following: First, we should step up the study of juvenile delinquency and discover the main causes and laws of juvenile delinquency to work out measures to deal with the problem. Currently, the most urgent need is to improve planning and guiding the study of juvenile delinquency. I hope that relevant state departments properly will organize and coordinate work of established organs for the study of juvenile delinquency, and instruct these organs jointly to conduct investigations and studies and to suggest effective preventive measures to stop juvenile delinquency from developing further. These organs should work out strategies and methods for preventing juvenile delinquency by studying the laws of juvenile delinquency to prevent juvenile delinquency as early as possible. Second, we should establish a juvenile delinquency prevention system. This system should include prevention at home, at schools, and in society. Third, we should properly arrange the life, study, and work of youngsters who have served their prison terms or who have been released from re-education through labor or from juvenile delinquents discipline centers. Parents, schools, and the neighborhood should show special concern for these young people. Those of school age should be allowed to attend school, and those of working age should be given employment opportunities. Every effort should be done to keep them from being idle to prevent them from committing crimes again. Fourth, we should step up legislation, improve our legal system, and enact as early as possible national laws for protecting minors. Before these laws are enacted, provinces, autonomous regions, municipalities, cities with provincial-level economic decision-making powers, and cities with a population of more than 1 million may enact local laws of this concern.

Take Effective Measures To Solve Problems in Railways

Member Duan Suquan said: Serious problems exist in the present state and development speed of China's railway transportation. For a considerable period of time, state investment in railways has been below the level of investment in the 1950's. During this period, the population has grown by several hundred million and the mobility has increased, while construction of railways has stagnated seriously. As a result, the growth of rail freight has been conspicuously below the growth rate of the national economy, while the increase of transport capacity has been lagging far behind the increase of freight volume. Passenger trains on many major railways

are often overloaded by more than 50 percent, or 100 percent on some trains. The demand for freight volume can be satisfied only by 70 percent, and 50 percent or less in some places. To solve existing problems in railway transportation, it is suggested that investment in railway construction be increased and special policies be taken to give preferential treatment to railways; that railway fares be adjusted reasonably; and that the depreciation rate of railways be increased while their profit and tax delivery be reduced so that the depreciation rate and tax and profit delivery will be compatible with the basic depreciation rate and business tax rate of industrial enterprises. It is hoped that while focusing attention on solving the energy question, the central authorities will give prominence to alleviating difficulties in railway transportation.

Accelerate Legislation of Minority Nationalities and Ensure a Good Job in Work Dealing With Minority Nationalities

Members Li Gui, Li Xuezhi, Mamtov Kurban, and Zhang Youjun spoke about ways and means to implement further the law of regional autonomy for minority nationalities and reinforce work dealing with minority nationalities.

Li Xuezhi said: Stability in the minority nationality regions is of crucial importance to the overall interests of national unity and stability. Nationality problems, which are rather common in the world today, have always been an important issue concerning the prosperity or decline of a multinational country. Overall, the situation in China's minority nationality regions is stable. However, we also should soberly recognize existing problems. He said: To further develop the situation of stability and unity in minority nationality regions, it is necessary, first and foremost, to implement steadfastly the party's policies toward minority nationalities and state relevant laws. To enforce earnestly the law of regional autonomy for minority nationalities and solve problems in the economic development of minority nationality regions should be the foundation for achieving political and social stability in the minority nationality regions, as well as the guarantee for a long-term stable and coordinated growth of the national economy and the common prosperity of all nationalities.

Article Views Future of Socialism

HK0507131190 Beijing RENMIN RIBAO in Chinese
2 Jul 90 p 3

[Article by 余英 (6580 1138): "The Historical Development of Socialism and China's Bright Future"]

[Text] Editor's Note: The socialist system has demonstrated its great superiority in China and has brought vigor to the state and the nation and brought actual benefit to the masses of people. This is history and is also the reality. The ideology and theory of socialism have deeply struck root in the minds of the Chinese people. However, because bourgeois liberalization ran wild for a

time, confusion was caused on many ideological and theoretical issues in this regard. This confusion should be clarified. When facing the new changes in the international situation, some people had doubts about the destiny and future of socialism. Thus, relevant theoretical answers and explanations are also necessary. In the great cause of building socialism with Chinese characteristics, we still need to continuously study many theoretical issues. Therefore, this newspaper has particularly set up the talk column of "Only Socialism Can Make China Develop." Through publishing well-grounded and cogent articles, our purpose is to use the stand, viewpoint, and methodology of Marxism to analyze and approach some important issues, clarify confusion, remove some people's perplexities and doubts, and help the people maintain firm confidence in the building of socialism with Chinese characteristics. We ardently hope that theorists and people in various circles will contribute articles to this column. [end editor's note]

We have now entered the last decade of the 20th century.

By reviewing the history of this century, people who respect facts will notice that the emergence and development of the socialist countries represented the greatest practice by mankind in the 20th century. Socialism has been turned from an ideal into a reality and its triumph has extended from one country to many countries. Socialism has been continuously advancing along a tortuous and rough course, thus opening the historical process of great changes in human society.

Some Western politicians and commentators completely disregarded the basic facts and tendency in historical development. Proceeding from their class stand and the idealist conception of history, they went all out to claim that socialism was a "political and rational deformity" in the 20th century and had encountered "major failure." They justified their argument using the turbulence in the world situation and the temporary difficulties and setbacks encountered by socialism in some countries. In our country, people who stubbornly stuck to bourgeois liberalization also declared that socialism was merely "utopian" and that "the experiment of socialism and its failure" had become the legacy of the 20th century. They also claimed that establishment of the socialist system in China was a misunderstanding in history. Their purpose in negating history was obviously to negate the reality, to "bid farewell to socialism," and to transplant the capitalist system in full into China, thus turning a China full of hopes into a hopeless China.

How should one approach the theory and historical practice of scientific socialism and view the future and destiny of socialism in China? This is a question all Communist Party members and patriots must consider and answer.

The History of the 20th Century Shows That the Development of Socialism Makes Great Contributions to Human Progress and World Peace and Demonstrates the Advanced Nature and Vitality of the Socialist System

The socialist theory in Marxism is not a utopian illusion based on wishful thinking; instead, it is derived from the scientific conclusion drawn from summing up the objective law governing human historical development.

The replacement of feudalism by capitalism marked a major step forward in human history but the development of the capitalist system also exposed its intrinsic and insurmountable contradictions and maladies. Many progressive thinkers put forward various ideals and programs for overcoming these maladies and eliminating inequality in society. However, "at most they observed the thinking motivations in human historical activities but did not consider and study the factors that gave rise to such motivations and did not discover the objective regulation in the development of the social relations system." ("Collected Works of Lenin" First Chinese Version, Vol 21, p 38) Thus, they did not find the objective material force for transforming society and remained in the utopian stage.

In the second third of the 19th century, with the development of modern industry and the upsurge of the labor movements, Marxism was born. Marx and Engels applied materialist dialectics to study the regularity of human history and analyze the basic contradictions in capitalist society. They developed the theory of surplus value and discovered the objective law that capitalism will inevitably vanish and socialism will certainly triumph. They also found the class force and revolutionary way to realize socialism and pointed out the historical mission of the proletariat, thus turning socialism from utopian to scientific. During the late 19th and early 20th centuries, capitalism entered the imperialist stage. Lenin scientifically analyzed the new situation in the world's economic and political development, put forward the theory about imperialism and the proletarian revolution, led the Russian proletariat to win the great victory of the October Socialist Revolution, and thus enriched and developed the theory of scientific socialism. In China, the Chinese communists represented by Mao Zedong put forward the theory about the new democratic revolution and some new ideas about socialist revolution and construction by combining the basic principles of Marxism-Leninism with China's revolutionary practice. They also made contributions to further enrich and develop the theory of scientific socialism. According to the theory of scientific socialism and socialist practice in the 20th century, the essential characteristics and basic principles of the socialist system can be summarized into the following main points:

—The proletariat leads and unites the broad masses of working people to overthrow the rule of the bourgeoisie; to replace the bourgeois dictatorship with the proletarian or people's democratic dictatorship; to consolidate and develop the worker-peasant alliance;

to build the extensive united front; to gradually build a high degree of democracy inside the people; and to exercise dictatorship over the resistance from members of the exploiting classes and hostile forces, which account for a very small percentage of the population.

- Establish socialist ownership relations, with public ownership as the main body, and replace capitalist private ownership with socialist public ownership over the means of production in an orderly way according to the development of productive forces.
- Establish a socialist distribution system, with distribution according to work as the main body, and replace all distribution systems reflecting relations of exploitation with the system of distribution, according to work in an orderly way and to the development of productive forces.
- Take economic construction as the central task, develop the socialist planned commodity economy, integrate the planned economy with market regulation, change the anarchic conditions in production, continuously raise the social productive forces and labor productivity, and raise the standards of the entire people's material and cultural lives.
- Establish the guiding position of Marxism in the ideological field; carry forward and develop all cultural achievements of excellence in human history; continuously enhance the ideological, moral, scientific, and cultural attainments of the entire people; and build socialist spiritual civilization.
- Ensure nationality equality and unity and oppose nationality discrimination and nationality oppression.
- Constantly uphold the independent and peace-oriented foreign policy; oppose wars of aggression; oppose hegemonism and power politics; support the just struggle of the oppressed nations and peoples; and safeguard world peace.
- The establishment, consolidation, and development of the socialist system must be realized through the leadership of the Communist Party, which is the vanguard of the working class, armed with Marxist theory, organized according to the principles of democratic centralism, keeping close ties with the masses, and carrying out criticism and self-criticism.

These essential characteristics and basic principles of socialism give expression to the advanced nature of the socialist system. Although it will take a fairly long time to fully realize these principles, and the forms and degrees of the realization of these points in different countries and in different developmental stages will be different, these essential characteristics and basic principles will be invariable.

The history of the development of socialism in the 20th century has also shown the correctness of these basic principles of socialism and demonstrated the vitality of the socialist system.

First, the socialist revolution represented some epoch-making changes in human society, unprecedented for several thousand years. Under the socialist system, the entire people enjoyed the broadest scope of political and economic democracy. In socialist countries, class oppression and class exploitation were basically eliminated, and workers, peasants, and intellectuals were united as one and became the basic force for building the new socialist life. This provided the fundamental guarantee for realizing and developing social equality, democracy, and freedom and marked human society's tremendous progress.

Second, establishment of the socialist system led to emancipation of the productive forces in society and promoted socioeconomic development. With the establishment of the economic system with public ownership as the main body, socialist countries properly utilized and distributed their national resources according to their own conditions. They realized the national economic development programs and fulfilled the strategic objectives by relying on the entire people's efforts and their own national strength. Historical practice in past decades showed that the economic growth speed in socialist countries was much higher than in capitalist countries. In the 1980's, the socialist countries, whose population accounted for less than one-third of the world's total and whose economic foundation was mostly rather weak, produced two-fifths of the world's total industrial output value and their national incomes accounted for one-third of the world's total.

Third, the establishment and development of the socialist countries inspired the proletariat and oppressed people throughout the world to wage their struggle for emancipation. In particular, the socialist countries supported and promoted the vigorous development of national liberation movements in Asia, Africa, and Latin America, and dealt heavy blows at and disintegrated the colonial system of the imperialist powers. Since World War II, more than 100 colonial countries have won national independence, and these countries have become a great political force in the contemporary world that can never be neglected.

Fourth, in essence, socialism represented a great force for checking war and safeguarding peace. In the 20th century, two world wars broke out, both triggered off by imperialist contention for colonies and spheres of influence. The malignant tumor of fascism grew from the body of imperialism and formed the greatest threat to world peace and human civilization. In World War II, the socialist Soviet Union made the greatest sacrifice in defeating the fascist bandits of Germany, Italy, and Japan, and made the greatest contributions to the victory. After the end of World War II, the United States launched wars of aggression against Korea and Vietnam. The Chinese people joined hands with the Korean people and the Vietnamese people in smashing the imperialist aggression and safeguarding peace in Asia and in the world. In the nearly half a century since the end of World War II, no new world war broke out and

peace and development has become the theme in the contemporary world. The decisive factor for this was the existence and development of socialism and the rise of the Third World with its support.

In 20th-century world history, although the socialist countries had not been founded for a long time and their course of development was not smooth, socialism still made tremendous contributions to human civilization, social progress, economic growth, and world peace. This fact shows that socialism is a system superior to capitalism and with stronger vitality. Those who said that socialism is "declining" and has "failed" cannot topple the truth of the socialist theory in Marxism, nor can they obliterate the brilliant achievements of socialism. Still less can they change the overall historical trend of socialism eventually replacing capitalism. This is the basic stand for observing the future destiny of socialism in our country.

Socialism Fundamentally Changed the Historical Destiny of the Chinese Nation, Which Suffered Untold Disasters for Nearly 100 Years, and Opened the Road Leading to China's National Regeneration and Prosperity

China is one of the countries with the oldest civilization in the world. "Of all the civilizations of premodern times, none appeared more advanced, none felt more superior, than that of China." (Paul Kennedy: "The Rise and Fall of the Great Powers" Chinese translation, p 7) However, China became backward in modern times and was reduced, step by step, to a semicolonial and semi-feudal country. The Chinese people thus fell into the abyss of misery. Why did China become backward? How could China become wealthy and powerful again and realize national regeneration? A lot of progressive Chinese people made painstaking efforts to seek the truth from the Western bourgeoisie, but they did not draw a scientific conclusion. A lot of people with lofty aspirations fought bravely for national independence and liberation, but all the struggles from the Opium Wars to the 1911 Revolution failed. The Chinese people's anti-imperialist and anti-feudal consciousness was awakened by World War I, the unprecedented numbers killed, and the grim fact that the imperialist powers redivided the world and carved up China after the war ended. In particular, the October Revolution in Russia enabled progressive people in China to find the truth in Marxism-Leninism and scientific socialism and to use the proletarian world outlook as the tool for observing their national destiny. After that, the Chinese people regained the mental initiative and a fundamental change occurred in China's outlook.

Originally, with the development of the commodity economy within China's feudal society, China could also have evolved into a capitalist society. Modern China did not move onto the road of developing capitalism independently, not because the Chinese people subjectively gave up the opportunity of selection but because there was no such objective possibility. First, the imperialist

powers did not allow China to develop capitalism independently. The inroads of foreign capital into China did bring about certain developments of capitalism in China, but the imperialists never wanted to turn feudal China into an independent and developed capitalist country. Instead, they just tried to turn this large country into a semicolonial and vassal state that several imperialist powers could willfully enslave, exploit, and trample upon. Second, the big bourgeoisie and big landlord classes in China opposed revolution and acted as agents of imperialism. They established reactionary and backward rule in China and blocked the road leading to China's independent development and prosperity. Third, because of its weakness and vacillation, the national bourgeoisie in China did not have the ability to fulfill the anti-imperialist and anti-feudalist national democratic revolution. Because China did not have access to the road leading to capitalism, the task of freeing China from disaster and realizing national regeneration was entrusted by history to the Chinese proletariat, as a new rising class, and its political party—the CPC. The Chinese communists represented by Mao Zedong integrated the basic principles of Marxism-Leninism and scientific socialism with China's concrete practice and put forward the theory and program for carrying out the Chinese revolution in two steps according to the scientific analysis of China's national conditions and the character and tasks of the revolution. In the first step, the new democratic revolution was to be carried out under the leadership of the Communist Party, and, in the second step, socialism was to be introduced to China. This was completely in line with the tendency of historical development in modern China and in line with the fundamental interests of the Chinese people and the whole nation. The revolution was supported by workers, peasants, intellectuals, and numerous patriots. After 28 years' arduous struggle, the new democratic revolution eventually triumphed and New China was founded. This marked the most profound social change in Chinese history for the previous 100 years and even for several thousand years.

Comrade Mao Zedong criticized the viewpoint of immediately exercising socialism and called this a kind of "leftist phrase-mongering" in his essay "On New Democracy" written in 1940. However, after accomplishing the new democratic revolution, and after the period of economic restoration, China had the conditions in reality for carrying out the socialist revolution. Because the new democratic revolution was led by the proletariat and the Communist Party and was oriented to socialism, the results of the revolution certainly included the growth of many socialist factors, although certain capitalist factors also emerged. "What will be the socialist factors? The increasing relative importance of the proletariat and the Communist Party among the political forces in the country; leadership by the proletariat and the Communist Party that the peasantry, intelligentsia, and the urban petty bourgeoisie already accept or are likely to accept; and the state sector of the economy owned by the democratic republic and the

cooperative sector of the economy owned by the working people. All these will be socialist factors." ("Selected Works of Mao Zedong" Vol 2, p 645)

After liberation, the people's government confiscated the bureaucratic and comprador capital, which accounted for 80 percent of the fixed assets in the whole country's manufacturing, mining, and transportation industries, turning these enterprises into the state-owned sector of the economy. In 1952, the output value produced by state-owned industrial enterprises accounted for 56 percent of the gross national industrial output value; and the business turnover of the state-owned wholesale institutions accounted for 60 percent of the gross national wholesale volume. All the banks were basically run by the state. As the people's government unified national financial and economic management within a short time, this greatly increased the state's capacity to control the national economy as a whole. At the same time, through nationwide land reform, peasants all had their own land to till and the initial form of the collective economy also appeared in some localities. The reality then was that "socialist factors emerged every day," and China's history had moved to the doorway of socialism. The Chinese communists and the Chinese people could only make advances and had no reason to recoil in fear. In light of China's national conditions, the CPC creatively formulated a whole set of policies for carrying out socialist revolution and accomplishing the socialist transformation of the system of private ownership over the means of production. The process of such major changes showed that socialism was an objective need, the people's selection, and a necessity in history.

In short, modern China's historical development only offered two roads for the Chinese people to make their selection. One road was to continue as a colony and vassal state of imperialism; the other was to adopt socialism through the new democratic revolution. In order to thoroughly free the country from its enslaved position as a colony and vassal state, China could only take the socialist road. If China did not select the socialist road or discarded socialism, then the country would have continued to be or returned to being a vassal state of the foreign powers. Therefore, taking the socialist road was the best selection that China could make in its modern historical circumstances.

History and the present reality have reached this conclusion: It was socialism that fundamentally changed the Chinese nation's historical destiny of undergoing untold sufferings for nearly 100 years; and it was socialism that opened up the brilliant road for China to realize its national regeneration and achieve wealth and power.

The socialist cause has made achievements attracting worldwide attention in the past more than 40 years since the founding of New China.

Socialist China terminated the history of long being humiliated and bullied by imperialism, terminated the

chaotic and shattered situation caused by the long-lasting wars, realized national independence and reunification, and ensured the great unity of the people of all nationalities and all-round social progress. The Chinese people's wishes to live and work in peace and contentment and to lead a free and happy life were turned into reality.

In socialist China, because the system of exploitation and oppression was eliminated, the working people have become masters of society; because the new social system cleaned up the filth and mire left over from the old society, profound changes have occurred in interpersonal relations, social morals and ethos, and people's mentality; because the socialist public ownership system was established, all the people in our country have cherished the same ideals and convictions because they shared the same fundamental interests, thus being able to create socialist spiritual civilization that capitalism can never match.

In socialist China, tremendous progress was made in the field of economic construction. In old China, for a period of more than 80 years from the Westernization Movement in the late Qing Dynasty up to 1949, the accumulated gross value of industrial fixed assets was a mere 12.4 billion yuan; but in new China, through the people's hard work, the accumulated fixed assets in industry reached 1,064.1 billion yuan in 1988, an increase of 85 times. China's output of such main products as grain, cotton, iron and steel, coal, electricity, cement, and chemical fertilizer has leaped to high-level positions in the world, and some have even taken leading positions. China's GNP rose from a position lower than 40th in the world to eighth. China has developed its independent and rather integrated industrial system and has attained the world's top level in some high-technology fields such as astronautics technology, nuclear technology, computer technology, biological engineering, and agricultural technology. According to expert calculations, China's comprehensive national strength ranked sixth in the world in 1989.

In socialist China, the people's material and cultural lives have obviously been improved. Great developments have been made in our country's education, public health, and food production. Such major indicators of the people's quality of life in our country as health conditions, nutrition level, the rate of literate adults, and sport have approached, reached, or even surpassed the level of the countries with intermediate-level income and the world's average level.

Socialist China has been pursuing an independent and peace-oriented foreign policy, adhering to principles, defying brute force, safeguarding its national sovereignty and dignity, and has won respect from people throughout the world. China is the initiator of the Five Principles of Peaceful Coexistence, which have won endorsement and support from more and more countries and have become the basic norms for contemporary international relations. With the growth in its national

strength and the rise of its international status. China has become substantially influential in the Asia-Pacific region and also in the world.

During the past 70 years, through the new democratic revolution, socialist revolution, and construction, and the reforms during the last 10 years, socialism has struck deep roots in the vast land of China. It has gone deeply into the minds of the broad masses of people and become the common ideal and aspiration of the all people throughout the country. No one can succeed in reversing this historical trend.

Socialism Can Overcome Its Shortcomings and Difficulties Through Reform as a Process of Self-Adjustment and Self-Improvement. So Long as We Firmly Advance Along the Course of Building Socialism With Chinese Characteristics, China Will Certainly Have a Bright Future

Socialism is a brand new social system in human history. The replacement of capitalism by socialism is different from replacing one exploiting system with another; instead, it is a process of eliminating all exploiting systems and changing the entire superstructure and ideology in society that was built up on the basis of private ownership during the past several thousand years. In addition, socialism tends to triumph first in economically and culturally backward countries. This determines that socialist construction and development will need to undergo a longer process than the establishment of any new system in history. We should fully realize the inevitability of the replacement of capitalism by socialism and must also be fully aware of the arduousness, complexity, and protracted nature of this historical process. There will certainly be various setbacks, problems, errors, complications, and difficulties in this historical process, and such things are unavoidable. From the establishment and development of the socialist system to its consolidation and maturation, the whole course will certainly be full of complicated internal and external struggles. In general, there will be ups and downs, advances and retrogressions and things will only develop and advance wave upon wave. This is in line with the general regularity of historical development. The key question is how we should approach such setbacks, difficulties, complications, and errors. Undoubtedly, the representative figures of the old system will always try to use the drawbacks and difficulties of the new system to negate and slander it. They will use this as a breach in their attempt to overthrow the new system. People who support the new system will regard all such things as problems in the course of development and will continuously sum up experience and draw lessons from practice, overcome shortcomings and surmount difficulties, and make continuous advances with firm confidence.

There are both objective and subjective reasons for the errors and mistakes, including some serious mistakes, in the practical process of socialism, but this was not an intrinsic problem of the socialist system itself. They were

mainly caused by the remaining influence of the old system. In some cases, the errors and mistakes derived from deviations of the subjective guiding ideas from the objective laws that governed the development of socialism and from the basic principles for scientific socialism. For these errors and mistakes, it is necessary to make self-criticism, carry out self-adjustment, and promote self-improvement in order to actually overcome the problems. Because the socialist system is in line with the common interests of the entire people, after a consensus of understanding over the errors and mistakes is achieved and a lesson is drawn from them, the errors and mistakes can be corrected. At the same time, in the course of socialist development there may also be various drawbacks and shortcomings in the concrete systems and structures. These problems should also be solved through self-criticism, self-adjustment, and self-improvement. For example, as the scale of production and construction continued to expand, economic relations and the division of work in society become more and more sophisticated and complicated and, particularly because modern science and technology was developing rapidly, the economic structure characterized by rigid control and excessive centralization and the imperfect management methods adopted in the initial period of socialism became more and more unsuited to the requirements of production development. Therefore, with the changes in the situation, the development of productive forces, the accumulation of experience, and the gradual understanding of the regularity in socialist construction, we need to continuously adjust, improve, and upgrade the socialist production relations and the socialist superstructure and carry out economic and political structural reforms. Without reform, there will be no advance; without advance, we will not be able to consolidate and develop the socialist cause. However, first, no one can totally negate and deprecate the history of socialist practice for the sake of reform. Total negation of history will inevitably lead to total negation of socialism. Second, the basic principles of socialism must not be discarded for the sake of reform, and the essential characteristics of socialism must not be changed. To deviate from the basic principles is to deviate from socialism. Third, in the course of socialist reform, we must learn advanced science and technology from the capitalist countries and take their economic management methods as reference. "The richest culture, knowledge, and technology accumulated by capitalism and needed by us in history will all be turned from being a tool for capitalism into a tool for socialism." ("Collected Works of Lenin" first version of Chinese translation, Vol 27, p 386) However, this does not mean that "wholesale Westernization" can be pursued and that the ugly, evil, and decadent things that safeguard exploiting and oppressive capitalist economic and political systems can be introduced. "Wholesale Westernization" in fact is to introduce full-scale capitalism, and this will only bring retrogression and disasters to the Chinese people and will certainly be opposed by the Chinese people.

Comrade Deng Xiaoping pointed out: "China always used to be described as 'a heap of loose sand.' But when our party came to power and rallied the whole country around it, the disunity resulting from the partitioning of the country by various forces was brought to an end. So long as the party exercises correct leadership, it can rally not only its whole membership but also the whole nation to accomplish any mighty undertaking." ("Selected Works of Deng Xiaoping" [1975-1982] p 231) At the present stage, our party has laid down the basic line of taking economic construction as the central task, adhering to the four cardinal principles, and consistently carrying on reform and opening up. This is in keeping with the basic principles of scientific socialism, the requirements of the times, China's national conditions, and with the fundamental interests of the people of all nationalities throughout the country. So long as we firmly carry out the party's basic line, rely on the people, unite all forces that can be united, pursue national regeneration through our own efforts and hard work, and maintain political and social stability, then our country will certainly have cause to continuously advance the course of building socialism with Chinese characteristics. No matter what changes occur in the world situation, the Chinese people will firmly advance along the road they have chosen and do diligent work with one heart and one mind to handle their own country's affairs well. Then, China will make greater contributions to all mankind.

Ongoing Series Examines Va Nationality

OW0307142090 Beijing XINHUA in English
0647 GMT 3 Jul 90

[51st in the series "Knowledge About China" that began 16 April: "Ethnic Minorities—Va Nationality"]

[Text] Beijing, July 3 (XINHUA)—The Va nationality, with a population of more than 298,000, inhabit Yunnan Province in southwest China.

The Va language, which has three dialects, belongs to the South-Asian language family. The Va had no writing system until 1957 when a writing system based on the Latin alphabet was created.

The Va inhabit a fertile mountainous area with a mild climate where they grow rice, corn and millet.

Most Vas are Buddhists, though some are Christians. Va men wear collarless shirts and short pants. They bind their heads with black or red cloth. Va women wear collarless shirts and pleated skirts, and like to adorn themselves with silver bracelets and earrings.

The Va are noted for cooking rice in bamboo tubes, and are fond of wine with their meals.

Uygur Nationality

OW0507024290 Beijing XINHUA in English
0731 GMT 4 Jul 90

[52d in the series "Knowledge About China" that began 16 April: "Ethnic Minorities—Uygur Nationality"]

[Text] Beijing, July 4 (XINHUA)—The 5.975 million Uygurs account for three-fifths of the population of Xinjiang Uygur Autonomous Region.

The Uygurs have their own language, which belongs to the Tujue branch of the Altaic language family. The Uygur written language is based on the Arabic alphabet.

The name "Uygur" means "unity" and "union."

The Uygurs are primarily farmers, noted for raising cotton and gardening.

Since liberation, industry in Xinjiang has developed rapidly. Xinjiang's jade carvings, carpets and tapestries are famous at home and abroad.

The Uygurs have a rich culture. Uygur literature is noted for the epic "Happy Wisdom," "A Dictionary of Tujue Language", and stories of the legendary figure Afanti. Their dance, architecture and medical science are also highly developed.

Most Uygurs are Muslims.

The Uygur homes are usually made of earth. They have skylights and a furnace for cooking and heating. Uygurs usually grow peach, apricot, apple and mulberry trees around their homes. Staple foods include pancakes, noodles, tea, milk and fruits.

Uzbek Nationality Featured

OW0507024390 Beijing XINHUA in English
0715 GMT 4 Jul 90

[53d in the series "Knowledge About China" that began 16 April: "Ethnic Minorities—Uzbek Nationality"]

[Text] Beijing, July 4 (XINHUA)—The Uzbek nationality, with a population of more than 12,400, live in China's northwest Xinjiang Uygur Autonomous Region.

Uzbek, which belongs to the Tujue Branch of the Altaic language family, is similar to the Uygur and Tatar languages. The Uzbek written language is based on the Arabic alphabet.

The ancestors of the Uzbeks immigrated to Xinjiang from Central Asia at a very early time. During the Yuan Dynasty (1271-1368), many Uzbeks traveled to the interior of China to conduct commercial activities along the "Silk Road."

Most Uzbeks are engaged in commerce and making handicrafts. A few Uzbeks in the northern part of Xinjiang are engaged in animal husbandry, and a few living in the southern part of the region are farmers.

The religion, customs and life style of the Uzbeks are similar to those of Uyghur nationality. Most Uzbeks are Muslims.

Most Uzbeks live in towns and cities and are relatively well educated.

Uzbeks are adept in singing and dancing and the women are known for their embroidery.

Xibe Nationality Examined

OW0507142590 Beijing XINHUA in English
0627 GMT 5 Jul 90

[54th in the series "Knowledge About China" that began 16 April: "Ethnic Minorities—Xibe Nationality"]

[Text] Beijing, July 5 (XINHUA)—The Xibe nationality, with a population of more than 83,600, is concentrated in Xinjiang, Liaoning and Inner Mongolia.

The Xibe language, belonging to the Alty language family, is similar to Manchurian. The Xibe in Xinjiang still use their own language, in addition to Han, Uyghur and Kazak. The Xibe in northeast China have assimilated with their Han and Manchurian neighbors to a high degree. The Xibe writing system was created on the basis of the Manchurian writing system in 1947.

The Xibe were traditionally hunters and fishermen. The Xibe in Xinjiang, sent to guard the western frontier in the Qing dynasty, engage in agriculture and animal husbandry.

The staple foods include rice, flour, milk tea, butter, beef and mutton.

Traditional Xibe dress is similar to Manchurian dress.

Archery is a popular sport. Boys learn to ride and shoot as young as five or six years of age. During festivals and in winter, they often hold archery competitions.

The Xibe were formerly mainly polytheistic with a few Lamaists. Most engage in ancestor worship.

Yao Nationality Discussed

OW0507085290 Beijing XINHUA in English
0631 GMT 5 Jul 90

[55th in the series "Knowledge About China" that began 16 April: "Ethnic Minorities—Yao Nationality"]

[Text] Beijing, July 5 (XINHUA)—The Yao Nationality, with a population of more than 1.42 million, is distributed in Guangxi Zhuang Autonomous Region, Hunan, Yunnan, Guangdong and Guizhou Provinces.

The Yao have their own oral language, spoken by half of the population. Two-fifths speak a dialect similar to the Miao language, and the rest speak a dialect similar to the Dong language. Owing to long intercourse with the Han and Zhuang, most Yao can speak the Han and Zhuang languages. The Yao language has no written form.

The Yaos engage in agriculture, forestry and hunting. They are also adept at embroidery and weaving.

The Yaos have customs of their own, which differ slightly from place to place. Their dress is colorful. Yao women like to wear ornaments.

The Yaos have many festivals, including spring festival and the pure brightness festival. Most Yaos enjoy singing. The Yao have a rich repertoire of oral literature.

Economic & Agricultural

State Council Holds Food Conference in Beijing

OW0507004890 Beijing XINHUA in English
1501 GMT 4 Jul 90

[Text] Beijing, July 4 (XINHUA)—State Councillor Chen Junsheng outlined major tasks and measures for the production and supply of nonstaple foodstuffs for large and medium-sized cities during the Eighth Five-Year Plan period (1991-1995) at a national conference held today.

The meeting, attended by deputy mayors of 74 cities and officials from nonstaple foodstuff production bases and enterprises, summarized achievements and problems of the industry and mapped out plans for future development. The meeting was sponsored by the State Council and presided over by Vice Premier Tian Jiyun.

The supply and marketing of major nonstaple foodstuffs should be further reformed and follow the principle of speeded up market circulation and relax overall control, the meeting agreed.

A number of large cities, including Guangzhou, Chengdu, Chongqing, and Shenyang, have lifted controls on market prices for nonstaple foodstuffs, Chen said.

Chen also called for energetic efforts to build nonstaple foodstuff production bases, livestock farms, and aquatic product breeding centers.

Priority will be given to the raising of animals which consume less fodder, poultry, and aquatic products. Urban citizens should be guided to consume more mutton, beef, and poultry, and less pork, Chen said.

Material Supply Reform Linked to Price Reform

HK0407011890 Beijing CHINA DAILY in English
4 Jul 90 p 1

[By staff reporter Li Hong]

[Text] The Ministry of Materials and Equipment, in charge of the distribution of production materials in China, has just hammered out a package of tentative measures to reform the country's inefficient materials supply and marketing system.

The plan, according to Materials Minister Liu Suinian, is being reviewed by the central government. It includes, among other measures, bold steps to revamp the country's "double track" or two-tiered price system on the supply of key materials.

Liu said there would not be a more appropriate moment than now to operate on China's ailing distribution system, as many economists and policy-makers, confronted with the sluggish market, had realized the importance of reforming the existing system of production and distribution.

The reform is aimed at setting up an "effective, smooth, unimpeded and controllable" new distribution network in the country, he said.

According to the reform plan, a nationwide multi-channel distribution network will be formed, with the State-run materials enterprises as the centre, surrounded and aided by collective and individual distributors.

According to the Minister, State-owned enterprises will still undertake to supply key materials to major construction projects, medium and small production units, rural industry and foreign-related enterprises, in accordance with the country's overall industrial policies.

However, the two-tiered price system—the co-existing low State-set price and the much higher open market price of the same materials—which has given rise to much speculation and profiteering, ought to be revamped.

Liu suggested that, after merging the two-tiered prices, a new price system could be adopted. The price of such important items as coal, electricity, oil and transportation should be set by the State, but re-adjusted in accordance with the law of value.

And the price of "relatively" important materials such as steel and non-ferrous metals could be decided by production enterprises, according to their production cost, and approved by the authorities, while the price of other materials and products is allowed to fluctuate, following the tune of the market.

In his speech, the minister also called on all material enterprises to gradually introduce a computerized information management system so as to reduce waste and inefficiency in the distribution of materials.

And in the future, the sale and supply of products should depend on the stable operation of an efficient nationwide marketing and distribution network, instead of on the numerous "order-taking conferences" and trade fairs, the Minister said.

And finally, Liu suggested that related ministries under the State Council hold timely round-table conferences to resolve some chronic problems faced by the country in reforming the existing product and material distribution systems.

Measures for Managing Employment Pressures

HK0507040290 Beijing GUANGMING RIBAO
in Chinese 16 Jun 90 p 3

[Article by Zhu Leyao (2612 2867 1031): "Basic Employment Policy and Pattern for China's Towns and Cities in the 1990's"]

[Text] Labor employment in China's cities and towns will be an extremely difficult problem throughout the 1990's, following the rapid growth of employment pressure and the rising unemployment rate in the 1980's, which was high again after having been low for some time. The additional labor force in China's cities and towns in the next 10 years is expected to be more than 130 million people, approximately 1.7 times more than the real increase in employment in the 1980's. In the face of such enormous employment pressure in cities and towns, planning departments and other relevant government functional departments must strengthen unified plans, work out more scientific policies, and make realistic, practical, and meticulous arrangements to ensure full employment in cities and towns. Therefore, as far as policies are concerned, it is necessary to take the following steps and measures:

1. Make the Best Use of the Favorable Opportunity Given While the Tight Money Supply Policy Has Been in Force; Make Timely and Appropriate Adjustments to the Employment Structure of China's Cities and Towns and to the Shifting Employment Structure of Additional Labor Force To Enlarge the Employment Volume

From the perspective of the public ownership system, the current employment structure of our cities and towns is characterized by the great proportion of the labor force being engaged in publicly owned units, while an excessively low proportion is engaged in other units, especially collectively owned units. Of all the employed labor force in cities and towns across the country in 1988, 70 percent engaged in publicly owned units, 24.7 percent engaged in collectively owned units, 4.6 percent were individual laborers, and 0.7 percent engaged in units of various other forms. From 1978 to 1988, of all the additional labor force in cities and towns across the country, 53.3 percent shifted to publicly owned units, 33.2 percent shifted to town and city collectively owned units, Sino-foreign funded units, and foreign-funded units, and 13.5 percent were individual laborers. This kind of employment structure and employment situation of the additional labor force contrasted starkly with those in the mid-1950's. From 1953 to 1957, of the total additional town and city labor force, 41.7 percent engaged in publicly owned units, 38.5 percent engaged in city and town collectively owned units, and 19.8 percent engaged in joint state-private units. Of the total labor force in cities and towns across the country in 1957, 65.6 percent engaged in publicly owned units, 31.2 percent engaged in collectively owned and other units, and 3.2 percent were individual laborers.

Judged from the structures of industrial (or occupational) departments, of the total town and city labor force across the country, secondary industry, mainly manufacturing industries, accounts for a greater proportion and seems to be increasing, while tertiary industry accounts for a lesser proportion and is continually decreasing. Financial and insurance industries, city public utility industries, transport, post and telecommunications, and the like are especially backward among all tertiary industries. Of the additional labor force in cities and towns across the country, most have shifted to industrial establishments in the past 10-odd years. This situation is similar to the period before the mid-1960's. When we compare the city and town employment structure and the changes in its general trend with those of other countries, we will see that they obviously seem more irrational. In other countries, the employment rate of tertiary industry is obviously higher than that of secondary industry, whether at the initial development stage of developed countries or at the present stage of developing countries. This is exactly contrary to the situation in China.

As for the occupational employment structure in cities and towns, of China's non-agrarian population at the present time, workers account for 57.1 percent, obviously higher than the levels of other countries, while the percentage of laborers engaging in service industries, business establishments, and clerical professions is very low. This indicates that our tertiary industry is seriously backward and that our employment structure is irrational. Some occupations employ too many workers, while others seriously lack workers, making it impossible to fully satisfy social demands and difficult to "work efficiently," "purchase commodities," "eat out," and "ride on buses or in cars." One thing here is particularly noteworthy, the fact that the division of labor of our work force is often closely linked with "large and all-inclusiveness" and "small but all-inclusiveness" of each enterprise, establishment, or trade. For example, of all the cooks and kitchen staff in China, only about 20 percent engage in commercial units, while 80 percent engage in noncommercial enterprise units or organs. Another example is that of all medical personnel, only about 65 percent work in public health departments, while the rest work in other establishments. This situation indicates that the social division of labor in our cities and towns is seriously backward.

The employment structure in cities and towns and the formation of the shifting direction of the additional labor force are the main reasons for such irrational phenomena as unemployment, structurally serious redundant personnel, and low efficiency. This is because as early as the end of the 1970's, our publicly owned units and industrial production departments already employed too many people. However, we still limited ourselves in the small scope of public ownership and industry. Thus, how could we effectively solve employment problems in our cities and towns? Therefore, we can see that it is very necessary to thoroughly change the

shifting direction of the additional labor force to readjust the employment structure of our cities and towns. We should strictly control the indiscriminate growth of publicly owned units, industrial production organizations, and the number of people engaging in various occupations. The additional labor force should mainly shift to city and town collectively owned units, the tertiary industrial sector, and non-manual occupations. Our cities and towns indeed have great potential to offer job opportunities through readjustment of the employment structure, and it is possible to achieve this. According to our estimates, if the employment share formation of the industries and other occupations of our city and town labor force can be readjusted to the level (approximately 35:65) of the mid-1950's, even if the number of people engaged in city and town industries remains unchanged, there will still be four million additional vacancies in cities and towns across the country each year.

II. Institute and Develop an Employment System and Employment Pattern That Suit the Characteristics and Conditions of Economic and Social Development of Our Cities and Towns, Completely Changing the Current Irrational Employment System and Pattern

Basically, employment in our cities and towns is completely undertaken by the government. Everything from the shifting of additional labor force to the creating of posts and the assignment of workers, and from determining enterprise structures and the number of additional labor force to labor force supplies and its formation, are all arranged by the government. Practice has shown that this basic employment system and pattern are irrational, and that they obviously have more disadvantages than advantages. Although this situation has improved a little over the past 10 years, it has not changed completely.

The employment system and pattern to be instituted in our cities and towns must be characterized by the integration of state planned management and spontaneous regulation stressing the former, and by the fact that the state arranges for most job opportunities under a unified plan while nongovernmental bodies help with job-finding to offer some jobs, and every individual finds his own job. By stressing state planned management and unified arrangements, we mean that the government will be responsible for the general planning of employment, that it formulates and promulgates unified employment regulations and policies and ensures that society as a whole acts according to the regulations and policies formulated by the state, and that it guides and coordinates the employment behavior in society by principles and offers help to the efforts made by laborers and nongovernmental bodies to solve the employment problem. However, this kind of guidance and help must only be "guidance as such, but not replacement," and "help but not undertaking." Therefore, by saying that we stress state planned management and state unified arrangement, we do not mean that everything is to be undertaken by the government as it used to be, but that

we make this a prerequisite for solving society's employment problems. By saying that nongovernmental bodies help with job-finding to offer some jobs and that individuals are to find their own jobs, we mean that the employment plans, regulations, and policies made by the state must be practiced by enterprises, laborers, and nongovernmental bodies in society as a whole so that they can play their nongovernmental role. This implies that after the state has scientifically confirmed employment plans, regulations, and policies, some concrete activities such as raising funds, creating jobs, and personnel arrangements should be undertaken by nongovernmental bodies and the people at large. Here the relations between government and nongovernmental bodies and the people at large can be likened to those between an engineer and a working team in a project. The government is the project engineer; thus, it will not involve itself in practical work unless there is a need. Similarly, nongovernmental bodies and the people at large are the working team of the employment problem, and they are able to work according to the project's requirements but are not able to plan it. Therefore, when solving the employment problem, state planned management, the government role, and the role of nongovernmental bodies and the people at large are all indispensable.

III. Improve and Upgrade the Management and Organization System for Labor Force Employment in Cities and Towns; Effectively Transform the Government Functional Departments in Charge of the Employment of Labor Force and Change Their Functions

Labor employment in our cities and towns is mainly managed by the State Planning Commission and the Labor Personnel Department. Their jobs and functions are basically limited to determining personnel, structures of existing enterprises and industrial units, and setting targets for the labor force and ensuring its supplies and distribution. Neither the State Planning Commission nor the Labor Personnel Department has conducted much research in some important issues as the changes in the future employment structure, new employment direction, and the finding of the means to offer jobs. Moreover, the relations between various government functional departments and the links between government and nongovernmental bodies and the people at large are weak. They have only weak coordination. Therefore, it often happens that "plans made by the government cannot be put into practice." Obviously, if we do not change this situation, it will be impossible to attain full employment or achieve planned management in cities and towns.

Therefore, it is necessary to appropriately transform the existing government functional departments in charge of employment. In keeping with the basic principle of economy and high efficiency, we will further strengthen

and invigorate government organs in charge of employment, upgrade contingents of cadres, change the personnel formation and knowledge structure of labor personnel cadres, increase the proportion of various professional personnel, and improve cadres' knowledge. Secondly, it is necessary to change the basic functions of government departments in charge of employment and management from such low-level functions as setting targets for the labor force to high-level functions such as formulating employment regulations and employment policies stressing investigation and research and scientific predictions, and guiding and coordinating the employment behavior in society. Third, we should strengthen the links and coordination between government and nongovernmental bodies and between various government functional departments, and establish a city and town employment coordination committee headed by the Planning Commission (or the Labor Personnel Department), and joined by other functional departments and by representatives from all walks of life, including enterprise representatives, experts and scholars of relevant departments, and representatives from other nongovernmental bodies. This committee will be responsible for employment planning, counseling, guiding, coordinating, and so on, and will function as the government's assistant and adviser and as a bridge linking labor supply and demand.

IV. Establish the City and Town Employment Fund To Support and Partially Meet the Demand of Funds for Newly Created Posts, Especially for the Newly Created Employment Direction

Creating new posts, especially newly established enterprises and the newly created employment direction, requires minimal and basic investment. However, a shortage of funds is a long-standing problem in our country's economic development and in city and town employment. Obviously, if this problem is solved, it will be very decisive in effectively attaining full employment in cities and towns. To solve this problem, we must not only depend on the government but on the strength and effort of society as a whole. Therefore, we believe it is necessary to establish the employment fund in cities and towns across the country.

The city and town employment fund can be partially funded by the government, while mainly funded through various fund-raising methods in society. With the enterprise, unit, and employee each contributing to it, coupled with other fund-raising methods, we believe that it is completely possible to raise considerable amounts of money. Now the question is whether we will try our best to collect idle funds from society, and whether we will be able to effectively use them for the development of production and for resolving the employment problem. As for the collection and use of the fund, local governments can manage and handle it in keeping with the compensational principle.

Technology Transfer Weekly Begins Publication

*HK0307114790 Beijing XINHUA Domestic Service
in Chinese 2343 GMT 2 Jul 90*

["ZHONGGUO YINJIN BAO Starts Publication"]

[Text] Beijing, 3 Jul (XINHUA)—To promote the in-depth development of reform and opening up in China, and with the approval of the CPC Central Propaganda Department and the State Press and Publications Administration, ZHONGGUO YINJIN BAO [CHINA IMPORT NEWS], sponsored by the State Council's Leading Group for Introducing Foreign Intelligence and the State Bureau of Foreign Experts Affairs, officially started publication today in Beijing. Each issue of the

newspaper has four pages in folio. It is published every Tuesday and is openly distributed at home and abroad.

ZHONGGUO YINJIN BAO will focus on publicizing the principles and policies of the party and the government on introducing foreign technology and intelligence, disseminating knowledge about technological and intelligence introduction, spreading the latest information about the transfer of technology and intelligence at home and abroad, reporting achievements in this respect, introducing work experiences in adopting foreign technology and intelligence, studying the work situation and new issues, continuously promoting the exchange of intelligence and economic cooperation between China and foreign countries, and serving the cause of China's four modernizations.

East Region

Anhui Official on Punishment of Criminals

HK0507071390 Beijing RENMIN GONGAN BAO
in Chinese 6 Jun 90 p 1

[Report by staff reporter Cen Shengting (1478 3932 2158): "Liu Jinzhao, Deputy Director of the Public Security Department of Anhui Province, Interviewed on Sternly Cracking down on Criminal Activities"]

[Text] On 31 May, this reporter had an interview with Anhui Provincial Public Security Department Deputy Director Liu Jinzhao, on how to undergo the struggle of sternly cracking down on serious criminal offenses in depth.

Liu Jinzhao pointed out: Under the leadership of party committees and governments, since last year public security organs at different levels of Anhui Province concentrated on battling vagrant criminals and eliminating the "six vices" in a unified action and through different forms of struggles. These measures have helped maintain the social stability of the province. Nonetheless, the present social and public security situation is still very grim. From January to April this year, the crime rate of the province increased by 21.2 percent, compared with the corresponding period of the previous year. Outrageous cases are on the increase, such serious, violent cases as explosions, robbing of guns, seizing and stealing of guns, and armed robbery, occur frequently; crimes committed by gangs are prominent, and criminals are often seen riding roughshod in groups in rural areas, and robbing along communication lines. All this has seriously endangered social order. In order to ensure that the current struggle of severely punishing criminals can be carried on in a deepgoing way, Anhui Province has established a leading group; the provincial public security department has set up a special office; and public security organs in different areas have assigned their principal leaders to be in charge of the work.

Liu Jinzhao continued: The action to clamp down on crimes has started in some places. In order to shoot the arrow at the target in the action, the provincial public security department called on all localities to carefully conduct investigation and study, make sure of key targets, and really get to know fairly well how things stand in criminal gangs and with serious criminal offenders. The current struggle is aimed not only at mopping up those criminals on the surface, but also at ferreting out hidden gangs of criminals, and dealing a powerful blow at criminals on the run. With regard to those serious criminal cases and major cases involving gangs of criminals, special efforts should be made to deal with them, and different reconnaissance measures should be adopted to track them down as quickly as possible. Meanwhile, the sense of taking the overall situation into consideration and promoting cooperation in work should be strengthened when investigating and unearthing vagrant criminals committing crimes from one region to another. To sum up, the current "severe

punishment" move should display again the power of public security organs, smash gangs of criminals gravely endangering social order, sternly crack down on criminals doing all kinds of evil, and straighten things out in some areas which are in great trouble in the field of public security.

Liu Jinzhao also emphatically pointed out: To consolidate what has been achieved in the "severe punishment" battle, it is necessary to combine the effort to launch concentrated attacks with the day-to-day basic work, and take precautions while making swift attacks. In Anhui Province now, a three-level patrolling network has taken shape, which is composed of different types of public security police, public security joint defense organizations of a mass character, and security personnel of factories and mines; and there are more than 8,000 public security joint defense detachments of a mass character with a total of 53,400 members. While consolidating the public security joint defense network, great importance must be attached to organizing a rational defense and improving all precautions for public security, and no dead angle should be left. Meanwhile, special attention should be accorded to the system of public security in factories and mines. The present public security situation is very grim and factors of instability in some depressed enterprises are increasing. For this reason, it is necessary to give full play to the superiority of strong security force of different organizations so as to keep good order in enterprises and mines, and maintaining the stability of the overall situation.

Xiamen Hopes To Attract More Taiwan Investments

HK2906120990 Beijing ZHONGGUO XINWEN SHE
in Chinese 1248 GMT 27 Jun 90

[Report by Liu Lisheng (0491 5461 3932): "Shi Zhaobin Says Expanding Economic and Trade Cooperation Between Taiwan and Xiamen Will Be a Key Task for the Xiamen Special Economic Zone"—ZHONGGUO XINWEN SHE headline]

[Text] Xiamen, 27 Jun (ZHONGGUO XINWEN SHE)—Shi Zhaobin, newly appointed secretary of the Xiamen City CPC Committee, said today that the key tasks in the construction of the Xiamen Special Economic Zone for the coming five years will be expanding economic and trade cooperation between Xiamen and Taiwan and devoting major efforts to the construction of the Haigang and Xinglin investment zones for Taiwan businessmen.

At the opening ceremony of the Xiamen City CPC Congress today, Shi Zhaobin said that financial and material resources will be concentrated on the construction of basic facilities in the Haigang and Xinglin investment zones for Taiwan businessmen, adding that they will do their best to solve the basic conditions urgently required for the construction of Taiwan-invested factories, to coordinate the efforts of the relevant departments in meticulously carrying out construction work, to study problems of overall importance arising in the course of

construction, and to take all kinds of measures to ensure the smooth construction of investment zones for Taiwan businessmen. He also disclosed that some "free port" policies will be gradually put into effect so as to fully display Xiamen's dual functions as an investment zone for Taiwan businessmen and a special economic zone and to attract more investments from Taiwan and foreign businessmen.

Now the construction of the Xiamen Special Economic Zone is expanding to Xinglin and Haigang along the Xihai coast. Undertakings run on pooled capital by foreign investment groups are becoming increasingly important in the special economic zone. Large-scale comprehensive development will help rationalize the distribution of the special economic zone's productive forces. In particular, the emergence of a large-scale petrochemical industry in Haigang will bring about a new leap forward in the special economic zone.

Shandong Conference on Crackdown on Criminals

SK0607040990 Jinan Shandong Provincial Service in Mandarin 2200 GMT 5 Jul 90

[Text] At the provincial conference of courts on dealing strict blows to crimes, which concluded on 5 July, Yu Peigao, president of the provincial Higher People's Court, urged that proceeding from the need to defend the interests of the whole, courts at various levels should put the struggle to deal strict blows to crimes above everything else, and further use the judicial offensive to gain the momentum of dealing blows with concentrated efforts.

From January to May this year, courts throughout the province accepted 1,097 criminal cases in the first instance, an increase of 9.6 percent over the corresponding period last year. The number of the cases seriously endangering public security rose by 18.1 percent.

In view of the complicated situation in public security and heavy judicial tasks, Yu Peigao said: During the struggle, we should particularly focus our attention on the criminals to be cracked down. We should resolutely and sternly punish according to law the criminals guilty of murder, rape, robbery, bombing, serious theft, obstruction of communications and power facilities, abduction and sales of women and children, and hooliganism, who have incurred the great popular indignation and seriously endangered social stability; and recidivists and major elements of criminal rings. Courts at various levels should adopt effective measures to speed up their work, and raise their efficiency in handling cases. They should never miss the opportune moment for trying cases. When trying cases, we should emphasize accuracy so that our trials can stand the test of policies, laws, and history. Meanwhile, we should conscientiously implement the principles of dealing with each case on its merits, and combining punishment with lenient treatment. We should persistently deal blows and carry out prevention simultaneously, extensively giving publicity

to the legal system and conducting the judicial activities of forced labor service under detention. With regard to serious typical cases, we should publicly try them in a big way to gain momentum. We should mobilize forces from various quarters of society to actively wage struggles against criminals, and strive to bring about a steady turn for the better in public security and social order.

Three Sentenced on Corruption, Bribery Charges

OW0607043790 Shanghai City Service in Mandarin 2200 GMT 26 Jun 90

[From the "Morning News" program]

[Text] On 26 June, the Hongkou District People's Court passed judgment on the case of corruption and taking bribes by six personnel of Shanghai's Shenjun Textile Technical Information Service Department, which mainly provides services to retirees. The court verified that (Tang Yafan), former manager of the Shenjun Textile Technical Information Service Department, embezzled funds and accepted bribes totaling 48,554 yuan; (Hong Shengkang), assistant manager of the service department, 42,280 yuan; and (Zheng Shichang), vice board chairman of the Shanghai Retired Textile Workers Association and adviser to the Service Department, 11,030 yuan.

(Tang Yafan) was sentenced to 10 years and six months in prison, deprived of his political rights for two years, and had property worth 20,000 yuan confiscated. (Hong Shengkang) was sentenced to seven years' imprisonment, was deprived of his political rights for one year, and had property worth 20,000 yuan confiscated. (Zheng Shichang) was sentenced to two years and six months in prison and placed on probation for the same term. The court acquitted (Liu Zhen), former deputy director of the Textile Industry Bureau, (Sha Huizhen), and (Wei Ruixue) and immediately set them free. Following the announcement of the judgments, the procurator said he would appeal the conviction to the municipal Intermediate People's Court.

Shanghai Starts Taking Census 1 Jul

OW0607091290 Shanghai City Service in Mandarin 0900 GMT 1 Jul 90

[From the "News and Weather" program]

[Text] Today is the first day for household registration in the fourth national census. In the morning, at the more than 50,000 colorfully decorated census sub-districts, which are widely distributed throughout the municipality's urban and rural areas, the first group of male and female citizens presented themselves for the census. On the first day, more than 1 million people, or nearly 400,000 families, in the municipality completed their census registration according to regulations.

In the morning, Zhu Rongji and Huang Ju, as well as Chen Guoliang, Zhao Tingzhi, Zhong Min, Chen Yi, Yang Zhibai, and other leading comrades, arrived in high

spirits at No. 15 Registration Station on Jianping Street in Xuhui District to register themselves as ordinary citizens.

After signing his registration form, Huang Ju told our a reporter of this station that he hoped all people in the municipality would cooperate so as to make a success of the census.

In consideration of the senility of the famous writer Ba Jin and of his inconvenience in moving around, census takers in charge of Hunan Street took the initiative in registering him at his home, where they were warmly welcomed. Well-known literary figures Zhou Xiaoyan and (Zhang Junxiang) were also registered at their homes. Accompanied by his family members, famed cartoonist (Zhang Leping) went in a wheelchair to a local registration station for census registration. The Putuo Street census office in Putuo District set up a special registration station in the Yufo Temple. Master Zhen Chan, abbot of the Yufo Temple in Shanghai, Master Ming Yang, and others all earnestly registered themselves.

The census registration is in full swing in the municipality as of today. According to the State Council's unified stipulation, the registration work will be completed on 10 July.

Shanghai's Industrial Output Value Increases

OW0407045390 Beijing XINHUA in English
1440 GMT 3 Jul 90

[Text] Shanghai, July 3 (XINHUA)—The industrial output value of Shanghai, China's largest industrial center, in the first half of this year totalled 55.89 billion yuan.

This was 0.8 percent over the same period of last year, according to statistics released today.

The city's industrial output went down in the first three months but took a turn for the better in April. The increase rate rose to two percent in May and June.

Production of raw materials, agriculture-related products, iron ore, steel, beer and garments increased by an average of 10 percent.

The export value came to 192 billion U.S. dollars in the first five months, 13.2 percent over the last year's same period.

However, problems hindering the city's industrial development still exist. A movement to increase production and practice economy, while increasing revenue and reducing expenditure is being conducted at local industrial enterprises with the aim of fulfilling the annual quota set by the state.

Zhejiang's Li Zemin Speaks on CPC Anniversary

OW0507095490 Hangzhou Zhejiang Provincial Service
in Mandarin 0900 GMT 27 Jun 90

[From the "Provincial Hookup" program]

[Text] The Zhejiang Provincial CPC Committee held a discussion meeting this morning to mark the "1 July" CPC founding anniversary. Participants of this discussion meeting included veterans of the second revolutionary civil war, veterans who joined the party during the War of Resistance Against Japan and War of Liberation, as well as middle-aged and young party members who joined the revolutionary work after the founding of our people's republic. Present at the meeting were Li Zemin, secretary of the provincial party committee; Ge Hongsheng, deputy secretary of the provincial party committee; (Wang Xichao), member of the standing committee, and head of the Organization Department of the provincial party committee; and (Wang Yaoqin), member of the standing committee of the provincial advisory commission.

In connection with their work and study, eight comrades talked about their experiences in carrying forward the fine traditions of the party, enhancing our close ties with the people, and implementing the guidelines of the Sixth Plenary Session of the 13th Central Committee.

At the meeting, Li Zemin, secretary of the provincial party committee, made a speech on further maintaining flesh-and-blood ties with the masses of the people, and serving the people wholeheartedly. He said: We should display the spirit of rectifying party conduct and thoroughly should reeducate all party member-cadres on the Marxist viewpoint of the masses and the party's mass line. We should show concern for the masses' vital interests and their plight, and make earnest efforts to solve their outstanding production and living problems. We must make efforts to boost our economy, stabilize policies, and reassure the people. This is most important in maintaining links with the masses at present.

Li Zemin said: Starting from the provincial party committee, leading cadres, organs, and departments at all levels should establish and perfect the system of establishing contacts with grassroots units. Party and government leaders personally should handle important letters and investigate the important issues reported to them by the people. They firmly and constantly must improve party conduct and administrative cleanliness and strive to overcome negative feelings and corruption.

Meets Hebei Delegation

OW0507051590 Hangzhou Zhejiang Provincial Service
in Mandarin 0900 GMT 29 Jun 90

[From the "Provincial News Hookup" program]

[Text] Li Zemin, secretary of the Zhejiang Provincial Party Committee, had a cordial meeting at the Xihu State Guest House this morning with members visiting

Zhejiang to report advanced deeds of workers of the Liuzhuang Coal Mine in Tangshan, Hebei.

Comrade Li Zemin thanked them for coming to Zhejiang to share their experiences.

The reports presented by the group members have caused strong repercussions among the vast number of cadres and workers in Zhejiang. The cordial relationship between cadres and workers in Liuzhuang Coal Mine has greatly inspired Zhejiang in carrying out the guidelines of the Sixth Plenary Session of the 13th CPC Central Committee and promoting closer cadre-worker relationship.

During the meeting, Liu Guilin, chairman of the Liuzhuang Coal Mine Trade Union presented Secretary Li Zemin with a book entitled Experiences of Liuzhuang Coal Mine. The Zhejiang Provincial Trade Union Council reciprocated with a brocade painting.

The group left Hangzhou for Tangshan this evening.

Central-South Region

Guangdong's Liu Weiming Views Census Work

HK0507134290 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 5 Jul 90

[Text] On 4 July, the State Council's leading group in charge of census work held a national telephone meeting.

Guangdong Province Vice Governor Liu Weiming reported on Guangdong's census work at the meeting.

In his report, Comrade Liu Weiming said that Guangdong's census registration work has been progressing smoothly. By 2 July, Guangdong had registered 9.89 million people, which accounted for 16 percent of the total number of people who should be registered in Guangdong Province.

Comrade Liu Weiming disclosed that since June of this year, leaders at all levels in Guangdong have personally taken charge of the census registration work. More than 200,000 census workers have conscientiously carried out their work and performed their duties. After successfully registering her resident population, Guangdong has also investigated and discovered a mobile population of more than 230,000, of which more than 66,000 people have now been registered.

No sooner had the national telephone meeting on census work concluded than Guangdong held her own telephone meeting.

Jiang Yueming, deputy director of the Guangdong provincial leading group in charge of census work, delivered a speech at the telephone meeting.

In his speech, Comrade Jiang Yueming demanded that all areas of Guangdong conscientiously implement to the letter the spirit of the national telephone meeting on

census work and make every possible endeavor to guarantee the quality of Guangdong's census work.

Guangdong People's Congress Holds Meeting

HK0407035290 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 3 Jul 90

[Text] The Seventh Guangdong Provincial People's Congress Standing Committee held its 14th meeting in Guangzhou this morning.

The meeting was presided over by Lin Ruo, chairman of the Guangdong Provincial People's Congress Standing Committee.

The meeting listened to the "Report of the Guangdong Provincial People's Government on Implementation of Regulations for Protection of Mineral Resources," "Report of the Guangdong Provincial People's Government on Work of Screening and Rectifying Companies," and "Supplementary Explanation of the Guangzhou City People's Government on Regulations of Contracting Collectively Owned Economic Entities in Rural Areas."

Zhang Gaoli, vice governor of Guangdong Province, delivered the "Report of the Guangdong Provincial People's Government on Implementation of Regulations for Protection of Mineral Resources" at the meeting.

In his report, Vice Governor Zhang Gaoli said that by publicizing the "PRC Law of Mineral Resources," Guangdong has greatly strengthened her people's concept of state-owned mineral resources.

Vice Governor Zhang Gaoli demanded that all areas of Guangdong more extensively publicize the "PRC Law of Mineral Resources" and "Guangdong Provincial Regulations for Protection of Mineral Resources."

Invited by the Guangdong Provincial People's Congress, all the members of a delegation sent by Australia's New South Wales State, which is currently visiting Guangdong, attended this morning's meeting as visitors.

Guangxi Holds Meeting on Work Among Intellectuals

HK0407075590 Nanning Guangxi Regional Service in Mandarin 1030 GMT 30 Jun 90

[Text] The regional party committee held a discussion meeting on the region's work among intellectuals in Nanning on the morning of 29 June, studying the guidelines of the speech by Comrade Jiang Zemin at a report meeting attended by the youth of the capital of the country to mark the May 4th Movement, summing up and exchanging views on the region's work among intellectuals, and discussing and assigning future work among intellectuals.

Liu Mingzhu, regional party committee deputy secretary, chaired the meeting. Attending were Chen Huiguang, secretary of the regional party committee; Cheng Kejie, deputy secretary of the regional party committee and chairman of the regional autonomous

people's government; Li Zhenqian, member of the regional party committee standing committee and vice chairman of the regional autonomous people's government; and (Heng Guichang), member of the regional party committee standing committee. Also attending were leading comrades in charge of work among intellectuals from the departments concerned directly under the regional authorities, responsible persons of the region's democratic parties and the Regional Federation of Industry and Commerce, and some experts and academics.

Responsible persons of the regional party committee Organization Department and Propaganda Department, the regional Personnel Department, the regional Scientific Cadre Bureau, the regional Office for Economic Restructuring, and the regional Education Committee presented their views on work among intellectuals at the meeting.

Regional party committee Secretary Chen Huiguang delivered a speech at the discussion meeting, with the stress on three points. 1) The basic situation and experience in the region's work among intellectuals over the past five years. 2) The region's future work among intellectuals. 3) Some hopes placed on intellectuals of our region. Referring to the region's future work among intellectuals, Chen Huiguang emphatically pointed out that it is necessary to fully understand the position and role of intellectuals and continue to unswervingly implement the party's policies toward intellectuals. Party committees and governments at different levels should all have a sound understanding of the position and role of intellectuals from the high plane of implementing the party's basic line and attaching importance to the success or failure of the party's cause, and make serious and painstaking efforts to do the work well. A prevailing good custom of respecting knowledge and talented people should be created throughout the region and we should trust intellectuals politically and count on them vocationally.

Chen Huiguang continued: Ideological and political work should be strengthened and improved and conditions should be created for the healthy growth of intellectuals. At present special efforts should be made to intensify study and education in basic Marxist theory and the party's basic line among intellectuals, as well as education in socialism, patriotism, and actual conditions in the country and region.

Chen Huiguang noted: It is essential to strengthen leadership over work among intellectuals.

Finally, Chen Huiguang placed three hopes on intellectuals of our region. He said: First, it is hoped that intellectuals of our region will fully understand the grave historical responsibilities they shoulder and make their contributions to the rejuvenation of Guangxi and construction of the country. Second, it is hoped that they will carry on the fine traditions of the advanced intellectuals of the elder generation and firmly follow the road of

combining theory with practice and integrating themselves with workers and peasants under the guidance of Marxism-Leninism-Mao Zedong Thought. Third, it is hoped that they will study modestly, make progress with sustained efforts, unite as one, and cooperate with each other in work. Intellectuals, he added, should respect themselves, make themselves strong and have regard for themselves.

CPC Appoints New Party Secretary for Hainan

*HK0607024490 Haikou Hainan Provincial Service
in Mandarin 2200 GMT 5 Jul 90*

[Text] The CPC Central Committee has made a decision on appointing Comrade (Deng Tongxin) as a member of the Hainan Provincial CPC Committee, a member of the Hainan Provincial CPC Committee Standing Committee, and secretary of the Hainan Provincial CPC Committee. Comrade Xu Shijie no longer holds the posts of Hainan Provincial CPC Committee secretary and member of the Hainan Provincial CPC Committee Standing Committee.

New Secretary Visits Xu Shijie

*HK0607040290 Haikou Hainan Provincial Service
in Mandarin 2200 GMT 5 Jul 90*

[Text] On his way to take up his new post in Hainan, Hainan Provincial Party Secretary (Deng Tongxin) made a special trip to Guangzhou, to visit Comrade Xu Shijie who is recuperating in the city; and other retired veteran Hainan cadres.

At 1000, Comrades (Deng Tongxin); Meng Liankun, deputy head of the Organization Department under the CPC Central Committee; Li Zhimin, member of the Hainan Provincial CPC Committee and head of the Organization Department under the Hainan Provincial CPC Committee; and (Chen Yuyi), secretary general of the Hainan provincial government, arrived at Comrade Xu Shijie's sanatorium. Comrade Xu Shijie warmly received Comrade (Deng Tongxin) and his party.

Comrade (Deng Tongxin) said: Your surgical operation was very successful, and you are recovering very rapidly. You look well now. We are very happy about all this. The CPC Central Committee has now decided to send me to work in Hainan. On my way to the province, I have made a special trip to visit you.

Comrade Meng Liankun conveyed to Comrade Xu Shijie regards from Comrade Song Ping, member of the Political Bureau Standing Committee of the CPC Central Committee, and Comrade Lu Feng, head of the Organization Department under the CPC Central Committee.

Comrade Xu Shijie said: I would like to express my thanks for the concern of the central authorities and your solicitude as well. The CPC Central Committee has decided to appoint Comrade (Deng Tongxin) as secretary of the Hainan Provincial CPC Committee. I fully

support this decision. It is beneficial to the work in Hainan and to my recuperation. I warmly welcome Comrade (Deng Tongxin) to work in Hainan. Comrade Deng comes from Jiangsu province, an economically developed province, and once worked in the CPC Committee of Wuxi city. He made great achievements in his previous work. I believe that after he comes to Hainan to be in charge of the work of the Hainan Provincial CPC Committee, Hainan will achieve greater success in its work.

Comrade (Deng Tongxin) replied: Since I am a newcomer in Hainan, I am not familiar with the conditions in the province, and still lack experience. I can only learn while working. Comrade Xu Shijie has enjoyed a high reputation in Hainan, and has gained a wealth of experiences. I must rely on him for advice.

At present, Comrade Xu Shijie's main task is to recuperate. After his full recovery, he can make more contributions to Hainan province.

Comrade Xu Shijie said: I worked twice in Hainan, and have cherished profound affections for the province. Now the task assigned to me by the central authorities is to rest and recuperate. After my recovery, I will return to Hainan.

Comrade Xu Shijie continued: In Hainan, I have always maintained that we must be united with people coming from various parts of the country.

At the end, Comrade Xu held the hands of Comrade (Deng Tongxin) and others and had a photograph taken.

Hainan Key Project Construction Running Smoothly

HK0407103490 Haikou Hainan Provincial Service in Mandarin 2200 GMT 3 Jul 90

[Excerpt] The construction of Hainan's 16 new key projects, including construction of Hainan Waterworks, construction of eastern section of Hainan Railroad, installation of 27,000 program-controlled telephone sets, extension of Hainan Cigarette Factory, and so on, has gone smoothly. This was revealed by a general examination of key projects, which was conducted by Hainan Province recently.

Recently, Bao Keming, member of the Standing Committee of the Hainan Provincial CPC Committee and concurrently executive vice governor of Hainan Province; and Meng Qingping, vice governor of Hainan Province, have personally led work teams to conduct a province-wide general examination of Hainan's key projects.

The total investment in Hainan's 16 new key projects, whose construction began this year, has exceeded 4 billion yuan. The construction of these 16 projects is of great strategic importance to Hainan, for these projects will definitely help Hainan improve her investment environment, readjust her industrial structure, improve

layout of her productive forces, strengthen her economic strength, and promote her opening up to the outside world.

After fully affirming the achievements made by the departments concerned in respect of key project construction, Comrade Bao Keming demanded that all departments concerned in Hainan practically strengthen leadership over key project construction and clearly define responsibilities concerning management, coordination, and supervision of key project construction.

Comrade Bao Keming also demanded that leaders at all levels in Hainan practically solve problems for key projects and mobilize whole society to support key project construction. [passage omitted]

Hubei Secretary Guan Guangfu Addresses Cadres

HK0407061690 Wuhan Hubei Provincial Service in Mandarin 1130 GMT 3 Jul 90

[Excerpts] From 25 June to 30 June, the Hubei Provincial CPC Committee held a meeting attended by secretaries of all the prefectural CPC committees, city CPC committees, and autonomous prefectural CPC committees of Hubei Province.

The meeting was mainly held to sum up and exchange experiences in maintaining political, economic, and social stability, strengthening party-building work, and promoting socialist spiritual civilization building in Hubei.

The participants at the meeting put forward a lot of valuable proposals on how to further implement to the letter the spirit of the Fifth Plenary Session and the Sixth Plenary Session of the 13th CPC Central Committee.

Guan Guangfu, secretary of the Hubei Provincial CPC Committee, and Guo Shuyan, Zhao Fulin, and Qian Yunlu, deputy secretaries of the Hubei Provincial CPC Committee, attended the meeting and presided over the meeting in turn.

Ding Fengying, Zhang Xueqi, Tian Qiyu, Zhong Shuqiao, and Li Daqiang, members of the Standing Committee of the Hubei Provincial CPC Committee; Chen Ming, chairman of the Hubei Provincial CPC Advisory Committee; and all the CPC-member responsible persons of the Hubei Provincial People's Congress and the Hubei Provincial CPPCC Committee, all the CPC-member vice governors of Hubei Province, and the responsible persons of the CPC Committee of the Hubei Provincial Military District attended the meeting. They included Shen Yinluo, chairman of the Hubei Provincial CPPCC Committee; Xiao Quantao, vice chairman of the Hubei Provincial People's Congress Standing Committee; Zhang Huainian, Xu Penghang, Han Hongshu, Li Youwei, vice governors of Hubei Province; and responsible persons of various provincial departments, commissions, bureaus, and offices.

Comrade Guan Guangfu delivered a concluding speech at the meeting.

In his speech, Comrade Guan Guangfu mainly dwelt on the following four aspects:

1. To correctly analyze the current situation, unify ideology, and strengthen people's confidence in overcoming current difficulties;

Comrade Guan Guangfu said that over the past six months or so, the CPC organizations at all levels in Hubei have conscientiously implemented to the letter the spirit of the Fifth Plenary Session and the Sixth Plenary Session of the 13th CPC Central Committee, given top priority to the work of maintaining overall stability in Hubei, and done a lot of useful work in this regard. As a result, Hubei has basically enjoyed political, economic, and social stability over the past six months or so. This fact has fully proven that the line, principles, and policies formulated by the central authorities are correct and that the CPC committees and people's governments at all levels in Hubei have implemented to the letter the spirit of all the instructions issued by the central authorities and the spirit of all the decisions made by the Hubei Provincial CPC Committee and the Hubei Provincial People's Government.

Comrade Guan Guangfu said that while fully affirming the achievements made by Hubei Province over the past six months or so, all the comrades concerned in Hubei must also understand that problems, especially problems in the economic sphere, still exist in Hubei. In order to correctly view and overcome the current difficulties, all the comrades concerned in Hubei must unify understanding, brace up, make concerted efforts, and adopt correct principles and appropriate measures.

Comrade Guan Guangfu held that under the correct leadership of the CPC Central Committee headed by Comrade Jiang Zemin, so long as all the comrades in Hubei make full use of the existing favorable conditions, wholeheartedly rely on the broad masses of the people, strengthen confidence and determination, take forceful measures, carry out work in a down-to-earth manner, and implement to the letter all the instructions of the central authorities, Hubei will certainly be able to tide over the current difficulties and win more victories in the years ahead.

2. To stabilize policies and strive to promote Hubei's economic development in the second half of this year;

Comrade Guan Guangfu said that this year is not only a year in which the campaign aimed at improving economic environment and rectifying economic order will enter a crucial stage but also the last year in China's seventh five-year plan. Therefore, all the comrades concerned in Hubei must not only work hard to overcome the current difficulties, but also strive to lay a solid foundation for Hubei's development in the forthcoming eighth five-year plan period.

Comrade Guan Guangfu stressed that redoubled efforts must be made to promote Hubei's agricultural development, which is the basis of Hubei's provincial national economy, and further stabilize and perfect the "double-tier" management structure, especially the household contracted responsibility system with remuneration linked to output, in order to reap a good grain and cotton harvest this year.

Comrade Guan Guangfu said that the CPC committees and people's governments at all levels in Hubei must attach great importance to agricultural production, remain sober minded, always bear in mind that agricultural stability is the basis of overall stability in Hubei and in China and that the question of peasants is the fundamental question in the course of China's revolution and construction, and steadfastly give top priority to agricultural development while carrying out economic development.

Comrade Guan Guangfu said that it is necessary to maintain continuity and stability of all the existing rural policies, continue to invigorate commodity circulation in the rural areas, give full scope to the role played by supply and marketing cooperatives in the rural areas, encourage peasants to enter the circulation field, guarantee grain and cotton production, protect production enthusiasm of peasants, further readjust agricultural production structure, develop diversified economy in light of local conditions, increase peasants' per capita income, support township and town enterprise development, rectify township and town enterprises with a view to improving quality of township and town enterprises, attach strategic importance to the work aimed at helping poor, remote, and mountainous areas and areas inhabited by ethnic minorities shake off poverty, develop agriculture by relying on science and technology, and strive to bring about a new take-off of Hubei's agriculture in the foreseeable future; [passage omitted]

3. To further step up socialist spiritual civilization building and bring about a fundamental turn for the better in social order;

Comrade Guan Guangfu said that in order to maintain political, economic, and social stability, it is first of all necessary to unify people's ideology and stabilize the popular feelings of people. While adhering to economic construction as the center, all the comrades concerned in Hubei must step up socialist spiritual civilization building and strive to maintain and improve social order. Redoubled efforts must be made to further deepen education on the current situation and on the CPC's basic line among the broad masses of the CPC members and people with a view to enabling the broad masses of the CPC members to further strengthen their belief in communism and enabling the broad masses of the people to strengthen their confidence in the CPC's basic line as well as in all the general and specific principles and policies formulated by the CPC Central Committee since the Third Plenary Session of the 11th CPC Central Committee so as to push ahead with the campaign aimed

improving economic environment, rectifying economic order, and deepening reform and promote the building of socialism with salient Chinese characteristics in Hubei.

Comrade Guan Guangfu stressed that it is necessary to integrate positive education with in-depth and meticulous ideological and political work, mobilize all positive factors, further carry out activities of learning from Lei Feng, heroes, and advanced people, and develop the lofty spirit of selfless devotion and hard work. The CPC committees at all levels in Hubei must strengthen leadership and organization in this regard; [passage omitted]

4. To continue to implement to the letter the spirit of the Sixth Plenary Session of the 13th CPC Central Committee and step up party-building work;

Comrade Guan Guangfu called for comprehensively strengthening ideological, organizational, and style building of the CPC organizations at all levels in Hubei, forging closer ties between the CPC and the broad masses of the people, strengthening the building of the CPC organizations at the grass-roots level, giving full play to the leading role of the CPC organizations at all levels and the vanguard and exemplary role of the broad masses of the CPC members, strengthening the flesh-and-blood relationship between the CPC and the people, and promoting the development of all types of undertakings in Hubei.

Comrade Guan Guangfu finally laid stress on strengthening the united front work, saying that in order to build socialism with salient Chinese characteristics, it is all the more necessary to strengthen Hubei's united front work at all levels. To this end, the CPC committees at all levels in Hubei must further heighten understanding of the importance of the united front work in the new historical period, conscientiously study and implement to the letter the spirit of the recently concluded National Conference on United Front Work, carry out extensive and in-depth education on theories, principles, and policies of the united front work, strengthen political consultation and democratic supervision, implement to the letter all the policies of the united front work, strengthen professional and organizational building of the United Front Work departments at all levels in Hubei with a view to further pushing ahead with Hubei's united front work.

Southwest Region

Tibet Launches Struggle Against Crimes

OW0307224790 Lhasa Tibet Television Network
in Mandarin 1200 GMT 3 Jul 90

[By station reporters (Lian Qing) and (Jiang Xiaofeng):
from the "Tibet News" program]

[Text] [Video opens by showing Gyamco, vice chairman of the Tibetan regional people's government, speaking from a prepared script. The camera then pulls back to

give a long shot of the meeting hall, followed by medium shots of Gyamco and other leaders seated at a long table on the rostrum and the audience sitting in rows] On the morning of 3 July, the party committee and government of this autonomous region held a meeting to call on the broad masses of cadres, staff members, and workers, as well as political and law-enforcement cadres and police in the region, to mobilize and devote a period of time to a struggle to strike hard at crimes, so as to ensure overall political and social stability in our region, the smooth progress of the Asian Games, and safety in conducting activities in commemoration of the 41st founding anniversary of our country. Gyamco, vice chairman of the regional people's government, who is also a deputy head of the regional leading group for the hard-strike struggle, attended the meeting and delivered a speech. Yang Youcai, Zi Cheng, and Zhou Qishun, who are deputy secretaries of the regional committee for political science and law and concurrently deputy heads of the regional leading group for the hard-strike struggle, attended the meeting. Also present were responsible comrades from the regional departments concerned and from Lhasa City. The meeting was presided over by Comrade Zi Cheng.

[Video shows closeup of Gyamco] Comrade Gyamco pointed out in his speech: The regional party committee and the regional people's government take a very clear-cut and firm stance in waging a hard-strike struggle in the region. They demand that the rampancy of criminal elements be eliminated through the in-depth development of this hard-strike struggle, that the work of building up grass-roots units and all other tasks at the grass-roots level be geared up through the implementation of comprehensive measures, and that all-out efforts be made to reduce public security problems and guarantee social stability.

Gyamco said: We should pay attention to key tasks and give prompt and heavy punishment to criminal offenders according to law. The key tasks of our region's hard-strike struggle are in Lhasa City, the places where the prefectural administrative offices are located, and towns along transportation routes. [Video gives pan shots of audience] In particular, it is imperative to have a firm determination to rectify social order and security in Lhasa City. Meanwhile, all localities should, in light of their actual situation, deal resolute blows at those criminal elements who have evoked strong complaints from the masses, done great harm to society, and persisted in committing criminal acts.

Gyamco urged all prefectures, cities, and departments in the region to further enhance their awareness of the importance of the hard-strike struggle; strengthen their efforts to organize and lead this struggle; conduct mobilization and propaganda work at all levels from the top down; and see it to that requirements are met in terms of organization, personnel, and tasks. He said: Vigorous efforts should be made to rectify social order and security, combine the strike with crime prevention and the work of construction, and carry out the principle that the

leader should be responsible for the order in his own department, with a view to strengthening internal security. Moreover, a contracted security responsibility system should be instituted at all levels. Through the development of the hard-strike struggle, we should see to it that a security and crime-prevention network is established at the grass-roots level and that control is implemented over people coming into the region from other places. In addition, good efforts should be made to rectify bars, billiard rooms, dance halls, and market-places.

[After a closeup of Gyamco, the camera pulls back to give a long shot of the meeting hall] Gyamco called upon all cadres and the masses, as well as political and law-enforcement cadres and police, to further mobilize to carry forward the spirit of arduous struggle and continuous fighting while striving for a greater victory in the hard-strike struggle.

Kunming Executes 14 Drug Traffickers

HK0607085590 Hong Kong TA KUNG PAO in Chinese
27 Jun 90 p 2

[“Political Talk” column by Shih Chun-yun (2457 0689 3182: “Kunming Burns Opium and Executes 14 Drug Traffickers”)]

[Text] A mass anti-drug rally of more than 40,000 people was held in Kunming, Yunnan, yesterday. At the rally, Yunnan Province Governor He Zhiqiang called on provincial governments at all levels to strengthen leadership and mobilize the masses in order to stamp out drug offenses. He warned: Efforts should be made to curb the infiltration of drugs from abroad and prevent them from spreading within the province.

A total of 520 kg of heroin and 480 kg of opium, seized over the past few years, were burned in public in 20 large pots at the mass rally, reminding one of the scene wherein opium was burned by Ling Zexu in Humen on the eve of the Opium War 150 years ago.

Fourteen drug traffickers were sentenced to death as a warning. The judgements were announced by the president of the Yunnan Provincial Higher People's Court at yesterday's mass rally.

This shows that the Chinese authorities are attaching great importance to the threat of drug infiltration into China and are indicating to the world China's determination to fight against drug offenses. A new opium war is not only being carried out worldwide but has already won its initial victory in China.

The United Nations has named 26 June every year as the “International Day against Drug Abuse and Trafficking.” To mark the occasion, a forum was held in Beijing at which Wu Naiwen, deputy director of the General Administration of Customs, pointed out: In recent years, some international drug-trafficking rings have been

using certain provinces and cities in China as transit routes to other countries and regions. This has brought China many new problems.

Last year, public security organs around the country tracked down a total of 547 drug-trafficking cases, arrested 749 domestic and foreign drug traffickers, and seized 269 kg of opium and 48 kg of heroin. Had the drugs seized been sold in American and West European drug markets, the value would have amounted to tens of millions of dollars. Therefore, it can be said that China's efforts in publicly burning opium and sternly handing down heavy punishment to drug offenders is a great help both to China and the whole world in the crackdown on the increasingly rampant drug calamity.

In recent years, China has been used repeatedly by international drug-trafficking rings as a drug-trafficking route. Heroin and opium from Thailand, Laos, and the “Golden Triangle” in Burma have been repeatedly found being shipped to Hong Kong and Macao via Yunnan and Guangdong. Seduced by huge profits, some people risk defying the law. Meanwhile, international drug traffickers often force passengers into carrying drugs for them, mostly through seduction and threats.

Not long ago, public security organs in China smashed an international drug-trafficking ring, the largest case of its kind since the founding of the republic. In this case, 51 drug offenders, including three from Burma and six from Hong Kong, were arrested and 221 kg of heroine seized. This serves to show the fact that international drug traffickers not only use China as a drug-trafficking route but are also engaged in selling drugs within the country.

More than 10,000 drug users were discovered in Mang Shi, Dehong Autonomous Prefecture, Yunnan, last year. At a village in Ruili County, Yunnan, it was terrifying to see that 97 percent of the men in the village were addicted to drugs and, as a result, all the farm work had to be taken on by women. What is more, 146 persons in Dehong Autonomous Prefecture were found to have fallen victim to the AIDS virus through communal use of contaminated needles for intravenous drug injection. Failure to control this situation will result in disastrous consequences.

China has suffered severely from drugs in her modern history. Today the whole world is threatened by the drug problem, and China is no exception. Being close to the “Golden Triangle” in Southeast Asia, Yunnan has become the first victim and the situation is grave. Hong Kong in the south is a drug-trafficking and processing base for international drug-trafficking rings. Therefore, anti-drug organizations in China, Hong Kong, and the world should work in close coordination and make concerted efforts to curb the spread of drugs. The execution of drug offenders in Kunming can also serve as a warning to those based in Hong Kong and Macao.

North Region

Li Ximing, Chen Xitong at Water Project Ceremony

OW0507043590 Beijing Television Service in Mandarin
1000 GMT 1 Jul 90

[From the "National Hookup" program]

[Text] A ceremony marking the opening of a water project diverting water to the western part of Beijing was held yesterday. Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the Beijing municipal party committee; and Chen Xitong, state councillor and mayor of Beijing Municipality, were present at the ceremony. Over the past few years, the volume of water in (Guanting) Reservoir, one Beijing's major water suppliers, has been declining and the problem of silt accumulation has become worse, causing water shortages for the Shoudu Steel Complex, (Shijingshan) Power Plant, (Gaojing) Power Plant, as well as the 130,000 residents in the (Mentougou) and (Chengzi) areas in western Beijing.

To alleviate the water shortage, the Beijing Municipal Government started the project to divert water from eastern Beijing last November. The project, 21 km in length from Yihe Garden in the east to the (Chenzi) Waterworks in the west, consists of 16 km of water pipes, a 5-km ditch, three pumping stations, and three sluice gates. The total investment is 150 million yuan. Completion of this project will help ensure the normal order of life for people across the city. [Video shows Li, Chen, and others at the ceremony; later footage shows a waterworks and sluice gate]

Beijing's Li Ximing Visits Fangshan District

SK0507230890 Beijing BEIJING RIBAO in Chinese
8 Jun 90 p 1

[Text] "Comrade Xu Qingwen is a shining example for our party's grass-roots cadres as well as an excellent Communist Party member. Under the new situation of developing the commodity economy, we should further emulate his thinking of serving the people wholeheartedly and foster the communist outlook on life and value." Municipal party committee Secretary Li Ximing set forth this requirement on party building and ideological and political work during his investigation and study tour in Fangshan District. He suggested that we should build a statue for Comrade Xu Qingwen in Fangshan District so as to encourage the broad masses of party members, cadres, and people, particularly the younger generation, to learn from Comrade Xu Qingwen and to inherit and carry forward the party's fine traditions and work style.

On 6 June, Comrade Li Ximing, municipal party committee secretary, conducted investigations and studies in Fangshan District to understand the district's preparations for "three summer jobs," afforestation work, and the ideological situation of the cadres and the people. On

the same evening, after hearing the reports made by responsible comrades of the district party committee and the district government, he said that one purpose for coming to the district was to visit Nanhanji Village, to understand the production situation there, and to call on the people there, as well as Comrade Xu Qingwen's family members.

Early on the morning of 7 June, Comrade Li Ximing arrived in Nanhanji Village of Zhoukoudian Township. He got out of the car at a place two li from the village. Walking toward the village, he looked carefully at the wheat field. After that, he visited village-run hog farms, cement plants, and some peasants who had moved into their new houses. At the village primary school, Comrade Li Ximing inspected the newly constructed schoolhouses to understand the teaching conditions. Village party branch Secretary Sun Shuxin introduced a boy who was more than 10 years old to Comrade Li Ximing: "This is Comrade Xu Qingwen's grandson." Comrade Li Ximing cordially clasped the boy to his bosom and asked him about his studies. He also had a group photo taken with some pupils.

Comrade Li Ximing arrived at Comrade Xu Qingwen's home after passing through several streets and lanes. As soon as he entered the gate, he said hello to Xu Qingwen's wife. How is your life? Do you have difficulties? Xu Qingwen's wife answered that the district, township, and village cadres have taken good care of her, and her family members live a good life. Comrade Li Ximing said: Xu Qingwen worked hard for the people and did many good deeds for the state during his lifetime. The party and the people will never forget him. So, they should take good care of you. We hope that you will let us know if you have any difficulties in the future.

At the meeting hall of the villagers' committee, village party branch Secretary Sun Shuxin and Wang Wenzhong, a veteran village cadre who had worked hard together with Xu Qingwen for several decades, reported Nanhanji Village's development and changes in the past few years. The village has registered stable and high grain production for eight years running since 1982, when the village was the first in the suburbs of Beijing to realize the target of producing 1 ton of grain from per mu field. The village again set a historical record in its grain production this summer. Comrade Li Ximing said: We should conscientiously sum up and extensively popularize the village's experiences in registering high and stable grain production so as to promote the municipality's agricultural production. At present, we should also vigorously study and propagate Comrade Xu Qingwen's revolutionary spirit and further strengthen party building. Comrade Xu Qingwen joined the revolution during the War of Resistance Against Japan. He was a seasoned fighter, was wounded seven times, and rendered meritorious services on nine occasions. However, he never claimed credit for himself or became arrogant. At that time, he should have been transferred as a state cadre because he was injured and became handicapped. But, he took the party and the state into consideration,

persistently returned to his hometown, and engaged himself in agriculture. He donated the job-transfer charges and guided fellow villagers to organize cooperatives and take the socialist road. He worked persistently for 30 years and built Nanhanji Village from a poverty-stricken and backward village into a red flag on the agricultural front of the Beijing suburbs.

Li Ximing said: As a Communist Party member and as a grass-roots party cadre, Xu Qingwen wholeheartedly thought of serving the people, with a spirit of self-reliance and arduous struggle, and a character of selfless sacrificing and administrative honesty. All of this is part of the precious wealth of our party. Today, our party is guiding the people to develop the four modernizations and positively develop the commodity economy. Under such a new situation, we should consciously resist such an outlook as putting money first ahead of everything; further enhance our communist ideals and belief; and foster the communist outlook on life and values. The new leading body of Nanhanji Village inherits and carries forward the revolutionary spirit of the former secretary and continues to make good achievements. Today, it is still of further great significance to advocate the study and propaganda of such a shining example as Comrade Xing Qingwen.

Before leaving Fangshan District, Comrade Li Ximing consulted with Shao Gankun, secretary of the district party committee; and Li Qingyu, district head, on the issue concerning building a statue for Comrade Xu Qingwen. Comrade Li Ximing said: The purpose of building the statue is to have the broad masses of party members, cadres, people, and young men study the excellent Communist Party member's lofty character, inherit and carry forward the party's fine traditions and work style, and narrow the relationship between the party and the people. Comrades of Fangshan District maintained that they will immediately study and make a formal decision as soon as possible.

Tianjin CPPCC Committee Holds Meeting

SK0207065990 Tianjin City Service in Mandarin
2300 GMT 30 Jun 90

[Text] The 16th enlarged Standing Committee meeting of the municipal Committee of the Chinese People's Political Consultative Conference [CPPCC] opened on 30 June. The meeting relayed and studied the guidelines of the sixth plenary session of the Fifth Municipal CPC Committee. Xiao Yuan, vice chairman of the municipal CPPCC Committee, presided over the meeting. The members maintained: CPPCC organizations should take advantage of their superiority to do more and better jobs in building closer flesh-and-blood ties with the masses with a view to making more contributions to consolidating and developing the excellent situation of the municipality.

Northeast Region

Heilongjiang Province Cracks Down on Crime

HK0407122290 Beijing RENMIN GONGAN BAO
in Chinese 8 Jun 90 p 1

[Report by Wang Zhuoxin (3769 0587 2450) and Qu Changjun (2575 7022 6511): "Heilongjiang Provincial Party and Government Leaders Go Up Front To Inspect the 'Sterm Crackdown' Drive"]

[Text] Since Heilongjiang Province has launched the struggle to deal severe blows to serious criminal activities, responsible comrades at party and government organs of various ranks across the province have found themselves in the front line of the drive planning for, enforcing, and inspecting the work.

Provincial Governor Shao Qihui and Provincial Party Committee Deputy Secretary Zhou Wenhua made a personal inspection trip to Harbin City to discover problems and provide prompt criticism and requirements. Leading party and government members in 14 prefectures and cities set up their commands at public security organs to ensure that the carrying out of this centralized operation should obtain the coordination of manpower and material support.

In the centralized operation, Heilongjiang Province deployed some 20,000 policemen and some 10,000 joint public order-keeping units from villages, neighborhoods, factories, and mines. With the strong support and close coordination of masses of various circles, within two days, 2,467 cases were cracked across the province, 2,288 criminals arrested, 300 criminal rings smashed, and about 970,000 yuan in stolen money and goods seized.

Cadres Punished for Embezzlement

SK0507020090 Harbin Heilongjiang Provincial
Service in Mandarin 0900 2 Jul 90

[Text] On 30 June, the provincial discipline inspection commission issued a circular on resolutely investigating and dealing with the undisciplined acts committed by leading party-member cadres; and made public throughout the province the embezzlement and bribery case committed by (Peng Xiqing), president of the provincial no. 1 construction and engineering company, the case related to (Yang Weilu), secretary of the party committee of the provincial local railway bureau, who accepted bribes in violation of financial and economic discipline, the case related to (Hu Shijing), deputy president of the provincial medical company, who took pleasure trips to scenic spots at the expense of the state, and the case related to (Gui Dechang), deputy secretary of the Wangkui County Party Committee and head of the county, who embezzled public funds and property.

The circular states: In October 1987, (Peng Xiqing), former president of the Heilongjiang Provincial No. 1 Construction and Engineering Company, asked for in

disguised form a 3,490 yuan video recorder from the equipment section of the company. He also took advantage of his position and power to embezzle and illegally accept 10,590 yuan in funds and property. The provincial party committee and the government decided to punish (Peng Xiqing) by expelling him from the party, discharging him from his post as department deputy director, and assigning him jobs as though he was an ordinary cadre.

(Yang Weilu), former secretary of the party committee of the provincial Local Railway Bureau and director of the bureau, misappropriated some 7.14 million yuan of public funds in violation of financial and economic discipline, and [words indistinct] the approval of other leaders, and used this money to purchase bonds for others on a commission basis, or lend money to other units and the units subordinate to this bureau to conduct monetary dealings. (Yang Weilu) also accepted some gifts and kickbacks from these dealings. The provincial party committee and the government decided to punish him by dismissing him from his posts as secretary of the party committee of the provincial Local Railway Bureau and director of the bureau.

(Hu Shijing), deputy president of the provincial medical company, took pleasure trips to scenic spots with some 1,200 yuan of public funds by carrying with him his relatives, friends, and children while on a business trip. He also presumptuously put aside his duties and went to Dalian to take care of private affairs and to tour scenic spots, taking his cousin with him. The provincial party committee and the government decided to dismiss Comrade (Hu Shijing) from his post as member of the leading party group and give him a demotion.

(Gui Dechang), former deputy secretary of the Wangkui County Party Committee and head of the county, took advantage of his position and power to embezzle, ask for, and misappropriate more than 8,600 yuan of public funds and property from 1986 to 1988. Through discussion of the Suihua Prefectural Party Committee, the provincial discipline inspection commission decided to dismiss (Gui Dechang) from the party, discharge him from his post as deputy secretary of the county party committee and his post as head of the county government, and assign jobs to him as though he was an ordinary cadre.

The circular of the provincial discipline inspection commission demands: Party organizations at all levels in the province should take full advantage of these negative teaching materials to educate the vast number of party members and cadres to observe laws and discipline.

Liaoning's Quan Shuren Visits Rural Areas

SK0507075590 Shenyang Liaoning Provincial Service in Mandarin 0930 GMT 4 Jul 90

[Text] From 22 to 25 June, provincial party committee Secretary Quan Shuren visited Chaoyang, Lingyuan, and

Jianping counties, and Harqin Left Wing Mongol Autonomous County; and carefully inspected the situation of developing wheat fields, building water conservancy facilities, and improving barren mountains.

After seeing the good wheat harvest in the rural areas of Chaoyang County, Quan Shuren said: It was not an easy job for Chaoyang to develop 500,000 mu of wheat. What is more important is that the development of wheat fields should be followed by services. Services should be rendered in supplying seeds, chemical fertilizer, and farm chemicals, turning up soil, irrigating wheat field, and gathering wheat. Particularly, we should apply scientific methods to select fine seeds and guide the peasants to rely on science and technology to develop agriculture.

After inspecting Chaoyang's water conservancy facilities, Quan Shuren pointed out: The key to developing wheat fields hinges on developing water conservancy facilities. We should set up an accurate input mechanism. We lost so much in the past due to our failure to develop water conservancy projects. The problem was that the input mechanism was not reasonable. But, the problem has been solved at present. The state, the collectives, and the individuals cooperatively collect funds to develop water conservancy projects. So, the masses start to consciously support the construction of water conservancy projects.

Quan Shuren stressed: The grass-roots cadres of the rural areas should do a good job in managing water conservancy facilities. If they fail to do so, they are guilty of crimes.

In regard to the relationship between the development of farmland and the construction of mountainous areas, Quan Shuren pointed out: We should not pay attention only to developing farmland to the neglect of developing mountainous areas, nor should we only attend to developing mountainous areas to the neglect of developing farmland. We should develop mountainous areas and water conservancy facilities in a comprehensive and unified way; work out a unified plan for input and management; and ensure an increase economic results from developing both mountainous areas and water conservancy facilities.

Liaoning Boosts Foreign Educational Contacts

OW0507101690 Beijing XINHUA in English
0723 GMT 5 Jul 90

[Text] Shenyang, July 5 (XINHUA)—Educational institutions in east China's Liaoning Province have established ties with 204 foreign institutions of higher learning.

Wang Chunshan, chairman of the provincial education commission, said the province has engaged 2,021 foreign experts and lecturers to work and lecture to more than 130,000 people over the past five years. With their help, Liaoning has set up 62 scientific research projects.

During the same period, about 2,000 foreign students have studied in the province, and the province has sent 1,970 students to study overseas, Wang said.

Northwest Region

Gansu's Li Ziqi Visits Various Counties

HK3006062290 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 26 Jun 90

[Excerpts] From 23 to 25 June, the weather in Jiuquan Prefecture was extremely hot, and the highest temperature was 31 degrees centigrade. But our Provincial Party Secretary Li Ziqi still went deep into some rural areas and peasant households to discuss with rural cadres and masses the way to strengthen rural grass-roots building, and problems of further deepening reform, developing collective economy, and guiding peasants to embark on the path of common prosperity. [passage omitted]

During his inspection, Li Ziqi found out that over the past few years, rural building in Jiuquan Prefecture had been further improved and enhanced in a creative way on the basis of achievements scored previously, that rural reform had been constantly improved, and that rural economy had improved in a sustained and stable way. He highly praised all this. He said: Under the new situation, how should we carry out rural work? Jiuquan Prefecture has made a bold exploration in this regard. It has provided experiences for rural work of the whole province. [passage omitted]

During his stay in Jiuquan Prefecture, Li Ziqi also extensively solicited opinions of cadres and masses on the implementation of policies, cadre work, and the present situation of agricultural production.

Gansu Meeting Examines Antidrug Law, Others

HK0207015190 Lanzhou Gansu Provincial Service
in Mandarin 2300 GMT 28 Jun 90

[Text] The members attending the 15th meeting of the Gansu Provincial People's Congress Standing Committee have conscientiously examined the revised draft of the regulations for the implementation of the Water Resources Law, the draft of the regulations proposed by the provincial People's Congress Standing Committee concerning a strict ban on drugs, and the draft of the regulations of Gansu Province for the implementation of the Compulsory Education Law, which were all on the meeting's agenda.

Vice Chairmen of the Standing Committee, Yang Fuxing and Li Wenhui; and Standing Committee members, (Wen Qingxiang), (Zhang Jingju), (Zhang Jinfang), and (Zhang Sude), held that in order to rationally exploit the

water resources in the province, the formulation and enactment of the regulations for the implementation of the Water Resources Law is an absolutely necessary step.

During the examination of the draft of the regulations concerning a strict ban on drugs, standing committee members shared a common view that the formulation of these regulations was a timely act taken by the provincial People's Congress since criminal activities concerning drugs were running increasingly rampant. Standing Committee members (Liu Wenzheng) and (Quan Zhangshu) noted: All departments concerned must support the antidrug operation in terms of human, material, and financial resources, so as to ensure that these regulations, after adopted, will be implemented in real earnest.

When examining the draft of the regulations for the implementation of the Compulsory Education Law, Standing Committee members (Li Jijun) and (Peng Ruolan) said: Gansu would be hopeless if we do not attach importance to education; and, therefore, we should show more foresight on this issue.

Zhang Boxing on Investigation, Research Work

HK0607071190 Xian Shaanxi Provincial Service
in Mandarin 2330 GMT 4 Jul 90

[Text] The Shaanxi Provincial Conference on Investigation and Research Work was held in Xian yesterday.

Zhang Boxing, secretary of the Shaanxi Provincial CPC Committee, delivered a speech at the conference.

In his speech, Comrade Zhang Boxing called for setting off a new upsurge of investigation and research in Shaanxi with a view to further improving the decision-making process of the CPC committees and people's governments at all levels.

He said that over the past few years, the CPC committees at all levels in Shaanxi have paid growing attention to investigation and research work, set up a large number of investigation and research networks at all levels, and achieved gratifying results in their investigation and research work concerning economic and political structural reforms, economic and social development, rural development, and party-building work, thereby greatly pushing ahead with Shaanxi's overall economic development.

He said that investigation and research work should mainly aim at improving and rationalizing the decision-making process of the CPC committees at all levels. Therefore, policy research departments at all levels should act as advisors to the CPC committees at all levels. The research departments of the CPC committees at all levels must endeavor to carry out in-depth investigations and research on those issues and questions about which people are most concerned in order to maintain and promote overall stability. The policy research departments at all levels must also strive to further raise the standard of their investigation and research work in the new historical period, make every

possible attempt to improve their own political and professional qualities, develop the spirit of seeking truth from facts, carry out more explorations, and make more contributions to Shaanxi's overall economic development.

Comrade Zhang Boxing demanded that the CPC committees at all levels place investigation and research work high on their agenda, more extensively apply the achievements of their investigation and research work, and further improve their decisionmaking process by carrying out more in-depth investigations and research.

Taiwan, Mainland Entrepreneurs Attend Forum

OW0507084690 Beijing XINHUA Domestic Service
in Chinese 1201 GMT 28 Jun 90

[By reporter Niu Changzheng (3662 7022 1767)]

[Text] Beijing, 28 Jun (XINHUA)—A State Council spokesman [words indistinct]. It is hoped that entrepreneurs from the two sides of the strait will find issues of common interest and make in-depth exchange of substantial significance at the current forum. He expressed the hope of holding a similar forum in Taiwan in the near future.

The large-scale forum, the first of its kind, of industrialists from the two sides of the strait was held at the Great Hall of the People this morning. Nearly 100 industrialists from Taiwan and directors of some 40 enterprises in the mainland took part in this activity sponsored by JINGJI RIBAO.

"Legislator" Zhang Shiliang, who is the head of the Taiwan Industrial Study Group, said: After preparations for more than a year, we are able finally to convene the forum today, thanks to the joint effort of persons from both sides of the strait. It is hoped that through the forum, the two sides will seek common understanding and discuss the establishment of communication channels, thereby making their share of contributions to China's industrial development.

Ye Qing, vice minister in charge of the State Planning Commission and chairman of the National Production Committee, briefed forum participants on economic development in the mainland, as well as prospects for development during the next decade.

Chen Zonggao, deputy director of the State Council's Taiwan Affairs Office, addressed the forum, analyzing the features of investment by Taiwan compatriots in the mainland. He said: In the past, Taiwan investors arrived occasionally and individually. Now they come in an organized and planned manner; they gradually have developed their investment from labor intensive enterprises to technology and capital intensive enterprises, and expanded the investment scale from several hundred thousand or several million to over \$100 million on such large projects as harbors, airports, and power stations; the investment period has been lengthened from between three and five years to more than 10 or even several decades; and investment areas have been extended from Fujian and Guangdong to the northern coastal and the inland regions. Chen Zonggao said: To understand, trust, and benefit each other and seek common development, it is hoped that the two sides will facilitate the establishment of postal, transport, and trade links for effecting direct trade and bilateral exchanges between the two sides of the strait as soon as possible.

Chen Deqiao, director of the Xiamen City Foreign Investment Bureau, and Yu Xiaosong, director of the Foreign Investment Administration under the Ministry

of Foreign Economic Relations and Trade, gave briefings on Taiwan investment in Xiamen and legal problems involving Taiwan investors and protection measures for their investment.

Fang Jingyi, editor-in-chief of JINGJI RIBAO, chaired the morning session of the forum. Cheng Siyuan, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, attended the forum.

In the afternoon, the forum attendees took part in separate group discussions on the chemical industry, general industry, foodstuffs, and steel. Entrepreneurs from the two sides had in-depth exchanges on cooperation, investment, and other issues of concern.

1,360 Projects Offered

HK0407012890 Beijing CHINA DAILY in English
4 Jul 90 p 2

[By staff reporter Xiao Qu]

[Text] Mainland business people put forward more than 1,360 projects yesterday, seeking Taiwanese funding at the on-going trade and investment seminar in Beijing.

Investment needed for about 200 of the projects was not available, while the total capital needed for the remaining projects stands as high as \$15 billion, a large part of which will be sought from Taiwan investors.

Negotiations on these projects put forward by 600 representatives from 23 mainland provinces and cities started yesterday afternoon and are scheduled to continue today.

But two-thirds of the 650 Taiwan entrepreneurs present are traders. Just one-third are industrialists, who are more likely to invest.

An official in charge of organizing the meeting told CHINA DAILY that negotiations on the projects would continue after the seminar ends tomorrow.

The Taiwan business people are scheduled to tour the mainland for investment opportunities after the meeting.

The seminar is sponsored by the mainland's Economic and Trade Co-ordination Committee of the Two Sides of the Strait and Taiwan's Commercial and Industrial Co-ordination Society of the Two Sides of the Strait.

Business Proposals Approved

OW0507020990 Beijing XINHUA in English
1228 GMT 4 Jul 90

[Text] Beijing, July 4 (XINHUA)—Six proposals concerning trade and business between China's mainland and Taiwan were passed today at the second joint meeting of the two non-official coordination bodies.

The mainland's Economic and Trade Coordination Committee for the Two Sides of the Straits (ETCCTSS) and its Taiwan counterpart, the Chinese Commercial and Industrial Coordination Society, were both founded in December 1989 in Hong Kong and held their first joint meeting there.

Proposals passed at today's meeting include promoting direct shipping between the mainland and Taiwan, establishing contacts between import and export commodity inspectors on both sides, and asking the Taiwan coordination society to arrange visits by Taiwan bankers to the mainland.

Other proposals concerning a joint trade fair, co-operation with Taiwanese business people during fact-finding tours on the mainland, and regular exchanges of legal documents, were also passed.

Zheng Hongye, chairman of the ETCCTSS, and Pen-tsao Chang, chairman of the Taiwan coordination society, co-chaired the meeting today and both delivered speeches.

Both sides expressed satisfaction over the role of the two coordination bodies in promoting trade and business across the Taiwan Strait, and decided on plans for their work in the next half of the year.

Four special meetings concerning legal service, mediation and arbitration, patents and trade marks, and industrial and commercial consultancy were also held today by the two bodies' sub-committees in charge of these matters.

The rules to settle trade and investment disputes between the two sides, for instance, were passed at a special meeting by the two mediation and arbitration sub-committees.

The two sides also reached an agreement at the meeting on jointly hosting a seminar on industrial property and another on trade and business laws.

Discussions concerning the protection of patent rights and trade marks, and the quick drafting of arbitration rules were also conducted at the meeting.

Sources told XINHUA that the coordination society in Taiwan has already been authorized by the relevant authorities on the mainland to send invitations to Taiwan business people for the Guangzhou export commodity fair, which is held twice a year.

Investment Seminar Ends 4 Jul

*OW0507092790 Beijing Domestic Service in Mandarin
2130 GMT 4 Jul 90*

[From the "News and Press Review" program]

[Text] The three-day seminar on trade and investment between the two sides of the Taiwan Strait ended in Beijing on 4 July. Zheng Hongye, chairman of the

mainland's Economic and Trade Co-ordination Committee of the Two Sides of the Strait, and Zhang Pingzhao, chairman of Taiwan's Commercial and Industrial Co-ordination Society of the Two Sides of the Strait, both agreed that the seminar produced encouraging results and will have positive effects on efforts to increase mutual understanding between mainland and Taiwan compatriots and promote trade and investment between the two sides of the Taiwan Strait.

Chairman Zheng Hongye told reporters: At the seminar, 23 provinces and municipalities, as well as a number of industrial enterprises put forward more than 1,400 projects. After preliminary exchange of views, Taiwan businessmen showed investment interest in more than 200 projects, including light industry, building materials, chemical industry, electronics industry, medicine, and health care. More importantly, the exchange, which took place after 40 years of separation between the two sides, has helped many Taiwan businessmen acquire a true picture of the economic development and investment environment on the mainland and laid a groundwork for further economic exchanges and trade between the two sides in the future.

Zheng Hongye said: More and more Taiwan compatriots have come to invest in the mainland during the past few years. Beginning from labor-intensive industries and coastal areas, their investment gradually has expanded to industries requiring more funds and higher technologies and to North China and to China's interior. However, we must also realize that trade between the two sides still is being conducted indirectly. In addition, exchanges between the two sides are primarily one-way. This is detrimental to developing further trade and economic relations between the two sides and to safeguarding the legitimate rights of the industrial and trade circles of both sides. Only by conducting direct and two-way exchange can the interests of the people on both sides of the strait be served.

During the seminar, Chairmen Zheng Hongye and Zhang Pingzhao stressed on many occasions that economic exchanges and trade between the two sides have become the trend of our times, a trend which cannot be stopped.

The mainland's Economic and Trade Co-ordination Committee of the Two Sides of the Strait and Taiwan's Commercial and Industrial Co-ordination Society of the Two Sides of the Strait also held their second joint committee session in Beijing, where arrangements were made with regard to cooperation in matters related to mediation, arbitration, trademarks, and patents.

Fact-Finding Tours To Begin

*OW0507101790 Beijing XINHUA in English
0953 GMT 5 Jul 90*

[Text] Beijing, July 5 (XINHUA)—The 700 Taiwanese business people who came here for a symposium on

trade and investment across the straits earlier this week are preparing for fact-finding tours on the mainland beginning from today.

The Taiwanese business people are expected to study the investment climate and continue talks with local business people on projects in south, east and northeast coastal regions as well as interior areas of central China and the northwest.

The symposium, which ended here on Wednesday, was sponsored by the Economic and Trade Coordination Committee for the Two Sides of the Strait (ETCCTSS), a non-official body on the mainland, and its Taiwan counterpart, the Chinese Commercial and Industrial Coordination Society.

The symposium, which also attracted 600 delegates from 23 mainland provinces and municipalities, has been the biggest business gathering of the two sides since the separation of the mainland and Taiwan four decades ago.

Speaking at a reception marking the end of the event, Zheng Hongye, chairman of ETCCTSS, said the symposium has helped both sides to learn about each other and laid the foundation for the expansion of future trade and business ties.

Nearly 300 of the 1,400 investment projects offered by mainland participants have attracted the interest or actual participation of Taiwanese investors, who have also pledged to consider other projects after further studies.

Having come together with practical expectations, both sides pledged efforts to achieve direct and two-way exchanges between, including shipping, postal and trade, at an early date.

The "historic" event is also expected to inject more dynamism into the growing trade and business ties across the strait and facilitate the economic development of the Chinese nation as a whole.

Taiwan Urged To Participate in Interparty Talks

OW0507013490 Beijing XINHUA in English
1421 GMT 4 Jul 90

[Text] Beijing, July 4 (XINHUA)—The China Zhi Gong Dang, one of China's noncommunist political parties, adopted a resolution here today urging the Taiwan authorities to accept a proposal by the Communist Party of China (CPC) on reciprocal talks between the CPC and the Kuomintang in the interests of the Chinese nation.

The resolution was made at the Seventh Enlarged Meeting of the Standing Committee of the Central Committee of the China Zhi Gong Dang (or Party for Public Interest), which closed here today.

The resolution said that not long ago Jiang Zemin, general secretary of the CPC Central Committee, proposed "Talks on a reciprocal basis between the Chinese Communist Party and the Kuomintang." This is reasonable, sincere and practical, it noted.

The resolution held that the recent National United Front Work Conference held by the CPC Central Committee was a landmark meeting for united front work.

The enlarged meeting called on all members of the China Zhi Gong Dang to promote peaceful reunification of the motherland with a high political enthusiasm and sense of historical responsibility.

It asked the party members to conduct wider activities of friendship with overseas Chinese and encourage them to support reciprocal talks between the two parties.

Further Reportage on National Affairs Conference**'Temporary' Provisions Abolished***OW0507001790 Taipei CNA in English 1512 GMT
3 Jul 90*

[Text] Taipei, July 3 (CNA)—All five discussion groups of the Republic of China's [ROC's] National Affairs Conference agreed Tuesday that the president should declare an end to the "period of communist rebellion."

A majority of participants also agreed that the "temporary provisions" appended to the Constitution should [words indistinct] in a plenary session dealing with constitutional reforms, participants continued to differ on whether to "amend" the constitution or write a new one.

The KMT [Kuomintang] conferees, while calling for revision of some constitutional provisions, agreed that the revision must be done by "genuine representatives of the people," not by the senior members of parliament elected 40 years ago who have not since faced reelection.

They opposed the DPP [Democratic Progressive Party] proposal to write a "Republic of China basic law" or "democratic charter" because it might give communist China a pretext to invade Taiwan.

As the conference drew to a close, clashes of views still characterized the conference atmosphere at the Grand Hotel in downtown Taipei.

Hsu Hsin-liang, former Taoyuan County magistrate and now an adviser to the DPP said he disagreed [word indistinct] calling of the conference a mere consultative body for the president.

He reasoned that since President Li had pledged to "thoroughly implement" conference conclusions, the conclusions should have "greater power than the president."

Tsiang [words indistinct] President Li and convenor of the conference organizing committee, objected to Hsu's "personal view" which he believed "no one would accept."

Tsiang said that the conference conclusions would not have any binding force on the president, who would select for implementation the "good ideas put forward at the conference [quotation marks as received]."

He defined the [word indistinct] as those which would benefit "the country, the people and the Chinese nation."

President Li Optimistic on Reform*OW0407200790 Taipei CNA in English 1537 GMT
4 Jul 90*

[Text] Taipei, July 4 (CNA)—President Li Teng-hui Wednesday said he was optimistic about constitutional reform in the Republic of China [ROC] as there was a broad consensus to implement democracy and to accelerate reforms.

The president was addressing the important national affairs conference, which closed Wednesday after six days of heated debate on the major political issues facing the country.

The conference, which opened June 28 with some 140 people participating, was expected to help form a consensus among the people and to pave the way for constitutional reform, he said.

Even though there were still some differences among the conferees—which included the country's opposition forces—they had reached a consensus that it was necessary to realize democracy and to speed up reforms, President Li noted.

"With this understanding, I believe all differences can be solved and all difficulties can be gradually overcome. The prospects for our constitutional reform are very bright and we can be optimistic," he told the conferees.

The president, who began a new six-year term on May 20, stressed that the end of the conference should mark the beginning of concrete actions to implement constitutional reform.

The government had been actively revising the laws in preparation for the end to the period of communist rebellion, an end that would lay the foundation for constitutional reform, he added.

Li also said that the government would outline the planned process and timetables for constitutional reform as soon as possible so that the various recommendations of the national affairs conference could be implemented at an early date.

The president praised the recommendations of the majority of conferees on the amendment of the ROC Constitution, instead of adopting a new one.

This would maintain the continuity and consistency of the Constitution, thus leaving the country with the greatest possible maneuvering to deal with national unification without jeopardizing national sovereignty, Li pointed out.

Mindful of the recent changes that had swept through Eastern Europe, President Li stressed that the most effective way to reunify China would be to promote an even stronger democratic spirit and to establish a sounder constitutional system in the Republic of China on Taiwan.

Li said he would see to it that the direction and pace of reforms be decided by the public through legal procedures and not be affected by selfishness of any individual or political party and faction.

The president also cautioned that all reform measures should take the security of Taiwan into account. "It is not enough for a reform idea to be comprehensive and theoretically perfect. It is even more important that it be feasible and meet practical needs," he said.

Li Vows To Implement Consensus

OW0407203190 Taipei CNA in English 1600 GMT
4 Jul 90

[Text] Taipei, July 4 (CNA)—President Li Teng-hui pledged Wednesday that he would "thoroughly implement" the consensus arrived at the six-day national affairs conference.

Addressing the conference's closing ceremony at the Grand Hotel, the president said government units would set schedules as soon as possible to implement all proposals on which there was a consensus of conference participants.

But he told the conferees that all reform must be carried out on the premise that Taiwan's security be ensured.

He assured participants that he would respect the people's will and lay a solid foundation for national development in a "most responsible manner."

The last day of the conference was devoted to hearing group reports on mainland policy in the morning and a presentation of group conclusions in the afternoon.

President Li attended the concluding session before making his closing address.

Summarizing the discussions on parliamentary reform, Kang Ning-hsiang said most conference participants agreed that all senior parliamentarians should retire before Dec. 31, 1991.

Conference participants urged the senior MP's to "recognize public opinion and quit as early as possible," Kang said.

As to improving the central government system, an absolute majority of conferees agreed that the current presidential election system should be improved and they also agreed in principle that the president should be elected by a popular election.

As to constitutional reforms, the conference said that the "period of mobilization against communist rebellion" should be terminated and the "temporary provisions effective during the period of communist rebellion" appended to the Constitution abolished.

The Constitution itself should be amended, but only by an institution which truly represents public opinion, the conference report said.

On mainland policy, conference participants agreed that Taiwan's security, long-range influence on the China mainland, and the people's individual interests must be considered while making mainland policy.

Cross-straits exchanges must be conducted on the principles of "security, reciprocity, equality and practicality," the conferees said.

Cross-Straits Ties Viewed

OW0407213390 Taipei CNA in English 1609 GMT
4 Jul 90

[Text] Taipei, July 4 (CNA)—Ranking government and Kuomintang [KMT] officials stressed the need Wednesday to acknowledge the reality of relations between the two sides of the Taiwan Straits at the historic national affairs conference.

Ma Ying-jeou, executive secretary of the cabinet task force on mainland Chinese affairs, suggested during the meeting that the reality of Taiwan and the China mainland being "divided but not separated" should be noted in amending the ROC [Republic of China] Constitution.

The majority of the 140 conferees participating in the conference called by President Li Teng-hui to discuss the country's political reforms, called for amending the Constitution instead of drafting a new one as demanded by others, mainly opposition and independent forces.

Ma, who opposed the adoption of a new Constitution, stressed that it was necessary to include the updated relations across the straits in the amended Constitution in order to lay a legal foundation for a proposed statute on relations between the people on both sides of the straits.

It was also necessary to do so because the development of relations between Taiwan and the mainland could have some effect on constitutional reform, he added.

Cheng Hsin-hsiung, deputy secretary general of the Kuomintang, also emphasized the inseparability of Taiwan and the mainland, and criticized those who intentionally neglect the reality as "irresponsible and near-sighted."

Urging those who favored an independent Taiwan to be practical and realistic, the KMT official asked if they really believed that Taiwan could exist as an independent country and if Taiwan could play an important role on the world stage with its limited leverage.

Cheng also revealed for the first time that the ROC mainland policy envisaged relations with the other side of the straits passing through three stages of development.

During the first stage, starting from the time the government permitted family reunion visits to the mainland in late 1987, Taipei had concentrated its efforts on spreading the free-market and democratic systems on Taiwan to the mainland, he said.

In the second stage, which had just begun, the government would give top priority to helping establish an intermediary agency to handle civilian relations across the straits and to meet current needs by enacting a statute on relations between people on both sides of the straits.

Taipei would substantially expand relations with the mainland during the third stage which would come when

tensions along the Taiwan Straits eased and Peking responded with good intentions to Taipei's offer for peaceful relations.

Ma and Cheng stressed, however, that Taipei should give top consideration to the security and stable development of Taiwan in deciding on a mainland policy because the Peking regime was extremely unpredictable and unstable and thus posed a threat to Taiwan.

Kuomintang Stresses Unification

*OW0407213690 Taipei CNA in English 1614 GMT
4 Jul 90*

[Text] Taipei, July 4 (CNA)—Kuomintang [KMT] Secretary General James Soong said Wednesday that it would be a misfortune for the whole of China if only a fraction of the Chinese could enjoy freedom and democracy.

Commenting on the results of the just-concluded national affairs conference, the ruling party leader said conference participants had tried hard to reach a consensus on major national issues.

The consensus must be premised on the "knowledge of the Chinese communists," for without a proper knowledge of the communist regime "we will not at all have a bright future," Soong said.

He said that during the conference the KMT had insisted on "identifying with the Republic of China [ROC], implement the democratic rule of law, and seeking the unification of China."

These insistences were the KMT's basic position during the conference, he noted.

He said participants might not have agreed on how to achieve the goals, but they had arrived at a broad consensus on identifying with the ROC and seeking national unification.

Asked how his party would carry out conference proposals, as KMT Chairman Li Teng-hui had pledged to do, Soong said that beginning next week, ranking KMT officials would forge a party consensus and formulate measures to implement the reforms.

The party's ad hoc groups on "constitutional reforms" and "the national affairs conference" would immediately work to further the reforms, he explained.

The party would also step up consultations with opposition parties in the hope of identifying steps acceptable to all parties to smooth the reform process, he said.

Opposition Calls Results 'Acceptable'

*OW0507053790 Taipei CNA in English 0236 GMT
5 Jul 90*

[Text] Taipei, July 5 (CNA)—Huang Hsin-chieh, chairman of the opposition Democratic Progressive Party, said Wednesday that the results of the National

Affairs Conference were acceptable, although he was not sure whether the conference itself was a success.

Speaking to reporters at the conclusion of the six-day conference, Huang cited as the conference's major achievements the consensus on the popular election of the president, and mandate for the president to carry further political reform.

Huang said he believed President Li was sincerely interested in implementing political reforms and the DPP had the same intention in dealing with political reform issues. The discussions and exchanges of views at the conference had moderated conflicts between the KMT and the DPP and "this will help further democratic development of the country," the opposition leader said.

DPP Secretary-General Chang Chun-hung and several other party members who attended the conference also positively evaluated the accomplishments of the conference during a press meeting after the closing ceremony.

Chang said that the conference had created a new political culture for the country. The KMT, DPP and other dissidents tolerated each other and exchanged views in order to arrive at a consensus. "This was a first in the history of Chinese and Taiwanese political culture," he added.

DPP central committee member Chen Yung-hsing also said that the conference had laid a foundation for the development of both democracy and a pluralistic society.

Results To Be Sent To Li

*OW0507053990 Taipei CNA in English 0239 GMT
5 Jul 90*

[Text] Taipei, July 5 (CNA)—The consensus reached at the National Affairs Conference would be sent to President Li Teng-hui for reference, Cheyne Chiu, spokesman for the presidential office, said Wednesday.

Chiu said that the president would make his own assessment and forward the consensus to the appropriate government departments to consider their feasibility. The president would then decide on the priority and methods to implement the consensus according to the feasibility reports, Chiu said.

Chiu said, however, that it would be difficult now to set a timetable for the adoption of each consensus.

Chiu noted that the president has expressed his hopes to put an end to the period of communist rebellion within one year and complete the constitutional reform in two years. The scholars and experts, Chiu added, may have different views on the time needed for the reforms.

KMT Spokesman Says Fang Lizhi Welcome To Visit

OW0607063790 Taipei CHINA POST in English
27 Jun 90 p 1

[Excerpt] The ruling Kuomintang (KMT) said yesterday that mainland Chinese dissident Fang Li-Chih [Fang Lizhi] was welcome to visit the island.

"If he (Fang) were willing to visit, he would be welcome... but the government's top consideration now is his health," said Ke Wei-hsin, deputy director of the KMT's Department of Overseas Affairs.

Government spokesman Shaw Yu-ming said the Communist Chinese authorities allowed Fang, a leading and outspoken critic of Peking, and other dissidents to leave to "resolve their internal problems."

"(Attempts) to improve its international image and relations with the United States (with Fang's release) was only secondary," Shaw said.

The spokesman noted that the Communist Chinese authorities last Wednesday repatriated Hou Teh-chien, a Taiwan-born singer who defected in mainland China in 1983.

Shaw said the Communist Chinese authorities were trying to rid themselves of dissidents who have "repeatedly challenged and embarrassed" Peking in the past year.

Both Fang and Hou were active in the movement for democracy suppressed in Peking by the army on June 4 last year. [passage omitted]

Taiwan Independence Activist Released

OW0507044690 Taipei International Service in English
0200 GMT 2 Jul 90

[Text] (Columbus Yao), a Taiwan independence activist arrested last November, was released Saturday and turned over to the custody of his lawyer.

(Yao), a Canadian citizen, returned to Taiwan last August to promote the Taiwan independence cause. After being expelled in September, he returned on the eve of the 2 December elections to continue his activities. He was arrested on 29 November and was sentenced to 10 months for illegal entry. He appealed the case.

The Taiwan High Court is scheduled to reopen the trial on 28 July.

Government Values Opinions of Overseas Chinese

OW0507001290 Taipei CNA in English 1545 GMT
3 Jul 90

[Text] Taipei, July 3 (CNA)—The Government of the Republic of China [ROC] highly valued the opinions of overseas Chinese, Premier Hao Po-tsun said Tuesday.

In order to help overseas Chinese better understand the situation in the Republic of China, the government would use video tapes to explain its major policies to overseas Chinese residing in various parts of the world, he said.

He would have his speech on the government's overseas Chinese policy recorded on video tapes soon for distribution to overseas Chinese communities around the world, he explained.

Speaking at a Taipei seminar for overseas Chinese leaders, Hao said that the government attached great importance to the welfare and opinions of the overseas Chinese who had persistently supported the ROC Government.

New Dry Dock To Facilitate Warship Construction

OW0207043990 Taipei CNA in English 0248 GMT
2 Jul 90

[Text] Kaohsiung, Southern Taiwan, July 2 (CNA)—China Shipbuilding Corp. launched the construction of a 100,000-ton dry dock Sunday to facilitate the building of warships ordered by the Republic of China Navy, a spokesman said Sunday.

Construction of the dock, estimated to cost one billion new Taiwan dollars (about 36 million U.S. dollars), was expected to be completed in two years, the spokesman said.

The state-owned shipbuilder has been contracted by the Navy to build a fleet of Parry-class guided missile frigates, which is a major part of the country's plan to renew naval force with a second generation of warships.

The new dock would be the site to assemble the country's first locally produced frigates, the spokesman said. In addition to the dock, China Shipbuilding had built additional small docks and a weapons systems assembly plant to meet the needs.

Since the world shipbuilding industry had gradually recovered from years of depression, the dock could also be used for ship repairing when it was available, the spokesman said.

This was expected to bring the debt-plagued shipbuilder at least 500 million new Taiwan dollars in business revenues, he predicted.

Hong Kong

Zhu Rongji Discusses Eight-Day Hong Kong Visit

HK0307115190 Hong Kong TA KUNG PAO in Chinese
3 Jul 90 p 2

["Newsletter" from Shanghai by staff reporter Kao Hsiao-hsiao (7559 5135 4562): "Friendship Breeds Trust, Trust Fosters Cooperation—Shanghai Mayor Zhu Rongji Talks About His Visit to Hong Kong (Part One)"]

[Text] A Shanghai economic delegation headed by Mayor Zhu Rongji recently returned to Shanghai after satisfactorily concluding its visits to Hong Kong and Singapore not long ago. During their short eight-day stay in Hong Kong, they conducted wide-ranging contacts with Hong Kong people and were warmly welcomed by them. This was a grand occasion in the history of Hong Kong-Shanghai relations. Apart from playing a positive role in pushing forward economic cooperation between the two cities, their visit has provided a profound enlightenment on the relations between Hong Kong and the mainland. Their visit, described by some Hong Kong people as "a whirlwind stirred up by Zhu Rongji," received much attention in Hong Kong press circles.

For this reason, this reporter interviewed Mayor Zhu Rongji several days ago on his visit to Hong Kong.

Strengthening Economic Development Between the Two Cities

There have been frequent trade and financial exchanges between Shanghai and Hong Kong, Mayor Zhu Rongji said. The two cities' trade relations have steadily developed although they are under different social systems and traverse different roads of development. Hong Kong investments rank first in overseas investments in Shanghai, and Hong Kong is also the biggest trade partner of Shanghai. Our recent visit to Hong Kong will help strengthen economic development between the two cities. We held meetings and talks with Hong Kong Governor David Wilson, Hong Kong Trade Development Council Chairman Lydia Dunn, as well as noted personages from industrial, commercial, and financial circles including Henry Fok, Lee Ka-shing, Pao Yu-kang, Shao Yi-fu, Lee Kuo-pao, Ting Huo-sou, Tang Hsiang-chien, Lee Kuo-wei, Cheung Kam-chun, and Lee Peng-fei. During our recent visit, we first met our old friends and expressed our thanks to them and second, we made new friends and asked them for instructions. The main purpose of our visit was to improve mutual understanding and build friendship. Friendship will breed trust, trust will foster cooperation, and cooperation will benefit both sides. In this respect we made a success of our visit and achieved the expected results.

Our visit will be conducive to economic development between the two cities. Old and new friends in Hong Kong cherish a strong desire for economic development and cooperation between both sides. In particular, Hong Kong people took a deep interest in our briefing on

Shanghai's development strategy for the 1990's and on the construction blueprint of the Pudong development zone. In addition, we also explained how the Chinese authorities made this historical choice and why this zone has been taken as a key point for building a new Shanghai in the 21st century. This firsthand information from the Huangpu Jiang has improved Hong Kong investors' confidence in developing Pudong. David Wilson and Lydia Dunn said during separate banquets for the Shanghai economic delegation: The current visit by the delegation will help promote the fine cooperation that has already taken shape between Hong Kong and Shanghai; in particular, the blueprint, investment scope, and preferential policy for the development of Pudong announced during their visit here will be of much help to Hong Kong businessmen. It is believed that Hong Kong and Shanghai will witness bigger and further development in their trade and economic cooperation.

Seeking New Ways of Cooperation

While in Hong Kong the Shanghai delegation held a seminar on "Shanghai's economic development for the 1990's and prospects for Shanghai-Hong Kong cooperation." According to the original plan, 250 people would attend the seminar. But actually 360 people came, leaving no empty seats. Among those present were people from Hong Kong and overseas industrial, commercial, and economic circles as well as officials from foreign consulates. They gathered together, took reference material, made inquiries, and showed concern for the large-scale Pudong development projects transcending the century. This reporter asked Mayor Zhu Rongji: "How did such a heated atmosphere appear? What are the new plans of some of those noted personages?"

Mayor Zhu Rongji replied confidently: As I have said, Hong Kong and Shanghai have prolonged relations, and there is a solid foundation for our cooperation. On the one hand, Pudong's development has much to do with the rest of the country, apart from Shanghai alone. This plan had been under consideration for years before the central government announced it. Pudong's development should help promote the opening up and development of the Changjiang delta and eastern China. This also suggests China's determination to open wider to the world and to deepen reform. On the other hand, Shanghai has its own unique strong points: Advanced science and technology, complete industrial categories, and outstanding scientific and technological personnel. These are drawing the attention of Hong Kong investors. During our visit, we provided a briefing on Pudong's characteristics, some of which are different from the features of special economic zones and technological development zones. Some Hong Kong investors take a deep interest in all these.

Noted Hong Kong industrialists and businessmen acquired a good idea of the detailed situation we explained. They said reform and opening up are conducive to Hong Kong's economy and help strengthen the

coherent force of investing in Pudong. Some Hong Kong investors have expressed their intention to cooperate.

Potential Development Discussed

HK0507092990 Hong Kong TA KUNG PAO in Chinese
4 Jul 90 p 2

["Special Dispatch" from Shanghai by staff reporter Kao Hsiao-hsiao (7559 5135 4562): "Shanghai Mayor Zhu Rongji Talks About His Visit to Hong Kong: Friendship Breeds Trust, Trust Fosters Cooperation (Part Two)"]

[Text] Shanghai, 2 Jul (TA KUNG PAO)—Mayor Zhu Rongji presented some new channels for cooperation in the industrial, commercial, and financial circles. At a banquet given in the delegation's honor on the first day in Hong Kong, Y.K. Pao said enthusiastically that the development of Pudong is a magnificent and arduous project. He wished it every success, saying that he would do his best to help.

The Intention To Participate in the Development

When giving a banquet in honor of the delegation, Li Ka-shing, chairman of Cheung Kong Holdings Limited, spoke highly of the success of the delegation's visit. He said that Hong Kong and Shanghai have profound historical and geographical relations and they will have more opportunities to cooperate in the future. Shanghai has decided to open up an area for economic development with flexible policies. This is good for foreign investors. The geographical environment of Shanghai is also very good.

Tang Hsiang-chien, who has already invested in Pudong and is now chairman of the Joint Woolen Mill Limited, said at the banquet that the Pudong development project has been called the world's largest development project by CNN of the United States. The people of Hong Kong are also expecting to find a new path for external cooperation, internal association, and high-speed and high-efficiency economic development through this project, so that cooperation between Hong Kong and the mainland can be pushed to a new stage. I will expand my investment in Pudong and establish new factories there, he said.

The mayor of Shanghai also pointed out that not only overseas people but also the compatriots in Taiwan are interested in the development of Pudong. They have all expressed a strong desire to invest in this project. In Hong Kong, the delegation also held talks with people from Taiwan industrial and commercial circles on the development of Pudong. Huang Chou-hsuan, a businessman from Taiwan, said he was deeply interested in this project and would visit Shanghai later to carry out an on-the-spot investigation. He believed that in the future, Shanghai will continue to be an economic center in China. If Taiwan's labor-intensive industries are not shifted to the mainland, they cannot be further developed.

Li Kwok-po, a well-known figure in Hong Kong financial circles, also gave a banquet for the delegation to which he invited more than 60 Hong Kong bankers. They were all very interested in the development project. Some said then and there that they would cooperate with Shanghai in this development. Li Kwok-wai, chairman of Hang Seng Bank Limited, said that his bank had earlier accommodated the China International Trust and Investment Corporation with loans. If Shanghai wants to raise funds in Hong Kong, he believed that Hong Kong was still capable of providing loans. It would not be difficult.

Hong Kong's Experiences Are Well Worth Taking as Reference

While in Hong Kong, the Shanghai economic delegation visited many projects and markets. Mayor Zhu Rongji said modestly: Although the program was crowded, we still had time to visit Hong Kong's stock market, Mass Transit Railway, container piers, Housing Department, and some families. We feel that Hong Kong has accumulated many experiences in import, export, and entrepot trade and in developing the processing industry, opening up overseas markets, and absorbing advanced technology and management methods. Many of these experiences can be used for our reference. The mayor emphasized that Hong Kong and Shanghai have their respective strong points. They can learn from and help each other. Some of Hong Kong's advantages are disadvantages in Shanghai and some of Shanghai's advantages are needed by Hong Kong. When we paid a visit to the Mass Transit Railway in Hong Kong's Central District, we found that its management was really very good. Shanghai is also building a subway. We can learn from Hong Kong's experiences in this field. We also found that Hong Kong has done very well in the development of international container piers, urban construction, and residential buildings. Shanghai is also developing large-scale residential areas. We must learn from Hong Kong's experiences.

Take Back Many Proposals and Opinions to Shanghai

Mayor Zhu Rongji said that Hong Kong people had offered many valuable opinions and suggestions for Shanghai's construction and the development of Pudong. He said: Chang Chien-chuan, chairman of the Federation of Hong Kong Industries, proposed that when carrying out the concrete plans for the development of Pudong, we must guard against being too hasty. It is better to carry out the plan stage by stage. In the first stage, efforts should be concentrated on the development of a small area to establish an export goods processing zone with foreign firms as the main body. After that, it is necessary to develop finance and the tertiary industries to support the first step. Liu Hung-shu, president of the Hong Kong Chiao Hsing International Company, proposed that in the development of Pudong and the overall economic construction of Shanghai, telecommunications and consultation service should be developed simultaneously. Otherwise, the pace of construction as a whole

will slow down. Mayor Zhu Rongji said: We will take back the proposals and opinions of Hong Kong people and we must study them earnestly.

32 Vietnamese Refugees Leave for Philippines

OW0607050290 Beijing XINHUA in English
1454 GMT 5 Jul 90

[Text] Hong Kong, July 5 (XINHUA)—Thirty two Vietnamese refugees left here for the Philippines by plane this afternoon as the first batch of Vietnamese refugees to be transferred there.

The group included 15 men, eight women and nine children. They were mostly screened out as genuine refugees after March this year.

They will live in a temporary holding center at Bataan, the Philippines, before they are picked up by a third country for resettlement.

Earlier this year, the Hong Kong Government reached an agreement with the Philippines and the United Nations High Commissioner for Refugees (UNHCR) for the transfer scheme.

By the end of this year a further 4,000 to 5,000 Vietnamese refugees are expected to be transferred from Hong Kong to the Philippines.

According to the calculation of the local government, Hong Kong held 10,189 refugees and 44,119 boat people from Vietnam on July 4, 1990.

Alliance To Broadcast Controversial Video

HK0607024790 Hong Kong HONGKONG STANDARD
in English 6 Jul 90 p 6

[Text] The Hong Kong Alliance in Support of Patriotic Democratic Movements in China plans to broadcast a controversial video of the bloody crackdown in Beijing in Victoria Park later this year.

The six-minute video has been banned by both Television Broadcasts and Asia Television because of its sensitive nature.

The broadcast would likely be made at an audio-visual rally organised by the alliance.

The rally may also broadcast a video, made by the alliance, of the group's activities.

Also included is a tape featuring "Tiananmen Square", a song compiled by an American Chinese, Philip Woo, and sung by well-known international stars such as Roberta Flack and Michelle Shocked.

Alliance chairman Szeto Wah revealed the group's plans yesterday after a ribbon-cutting ceremony at a tour photo exhibition at Edinburgh Place in Central.

"Hong Kong people have their rights to view that tape, in which many activists have put a lot of effort," an alliance spokesman, Cheung man-kwong, said.

Films broadcast in public places have to go through the Television and Entertainment Licensing Authority. The sensitive message contained in the tape may pose a problem for the alliance.

But Mr Cheung is confident that the tape will pass the censor. He said most of the materials broadcast or exhibited by the alliance had not been pre-censored by Government authorities.

The tap includes news footings of the crackdown in June last year. Lyrics of the song try to portray the scene in Tiananmen Square last year.

The alliance's tour photo exhibition will be held at Central, Tsim Sha Tsui, Mei Foo and Kwun Tong this month.

Pictures, slides and videos recording the pro-democracy movement in China will be on display.

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